



2024 AMBA BUSINESS FORECAST REPORT

This report provides a deep dive into industry trends and current conditions so that executives can better anticipate the future state of the industry and the opportunities available to improve their businesses.

Q4 2023 / Q1 2024

AMBA

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Spotlight

Current Business Conditions

At the end of 2023, the U.S. mold manufacturing industry was facing some of the toughest conditions in place since the beginning of AMBA's annual Business Forecast Survey process.

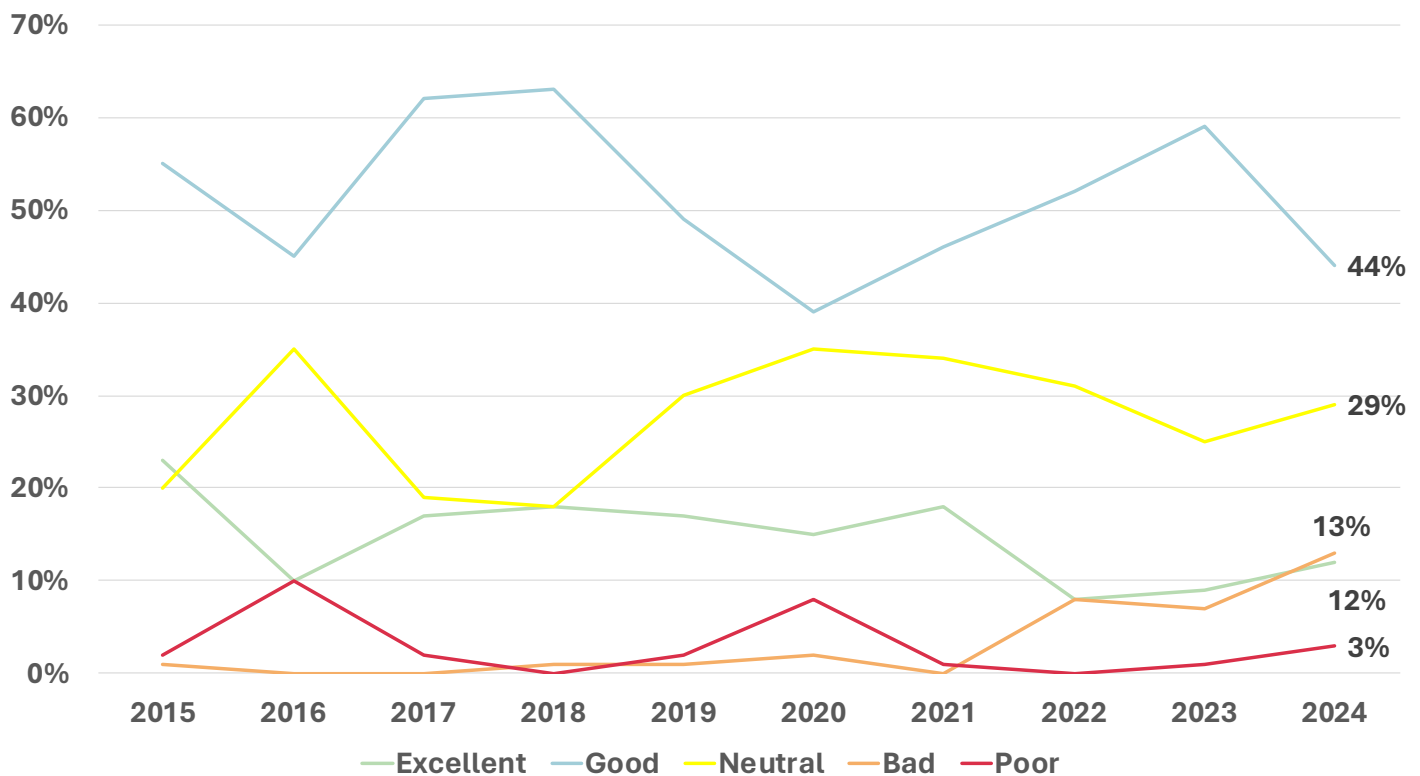
Sixteen percent of today's domestic mold manufacturers indicate that business conditions are "Bad" or "Poor" - a state under which companies are barely profitable. Shipping, backlog and quoting conditions are at all-time lows when compared with the three months prior. Nine percent of this year's respondents reported that current profitability was "Unacceptable" - an increase of four percent over data reported in last year's *Business Forecast Report*.

Despite all of these conditions, there are glimmers of hope. Although the percentage of respondents reporting that profitability was currently lower than three months prior, the percentage of respondents indicating that it was up was more promising.

Additionally, while many respondents are struggling with profitability, two-thirds report that profitability is "Acceptable," "Good" or "Great" (in other words, reported gross margins are five percent or higher). Furthermore, when asked whether profits would rise or fall, a slight majority indicated reasons that they anticipated profits rising in 2024, pointing towards improved economic conditions, an easing of competition domestically and internationally and improved internal measures, such as continuous improvement initiatives.

Current Business Conditions

Historical Trend: State of Business Levels 2015 - Present



Companies Reporting “Bad” Conditions Reaches Highest Spike in Survey History

Of the 81 mold manufacturing executives surveyed in this year’s Business Forecast Survey, 59 percent reported annual sales revenues under five million.* These respondents shared one major takeaway - business is not that great for most of them.

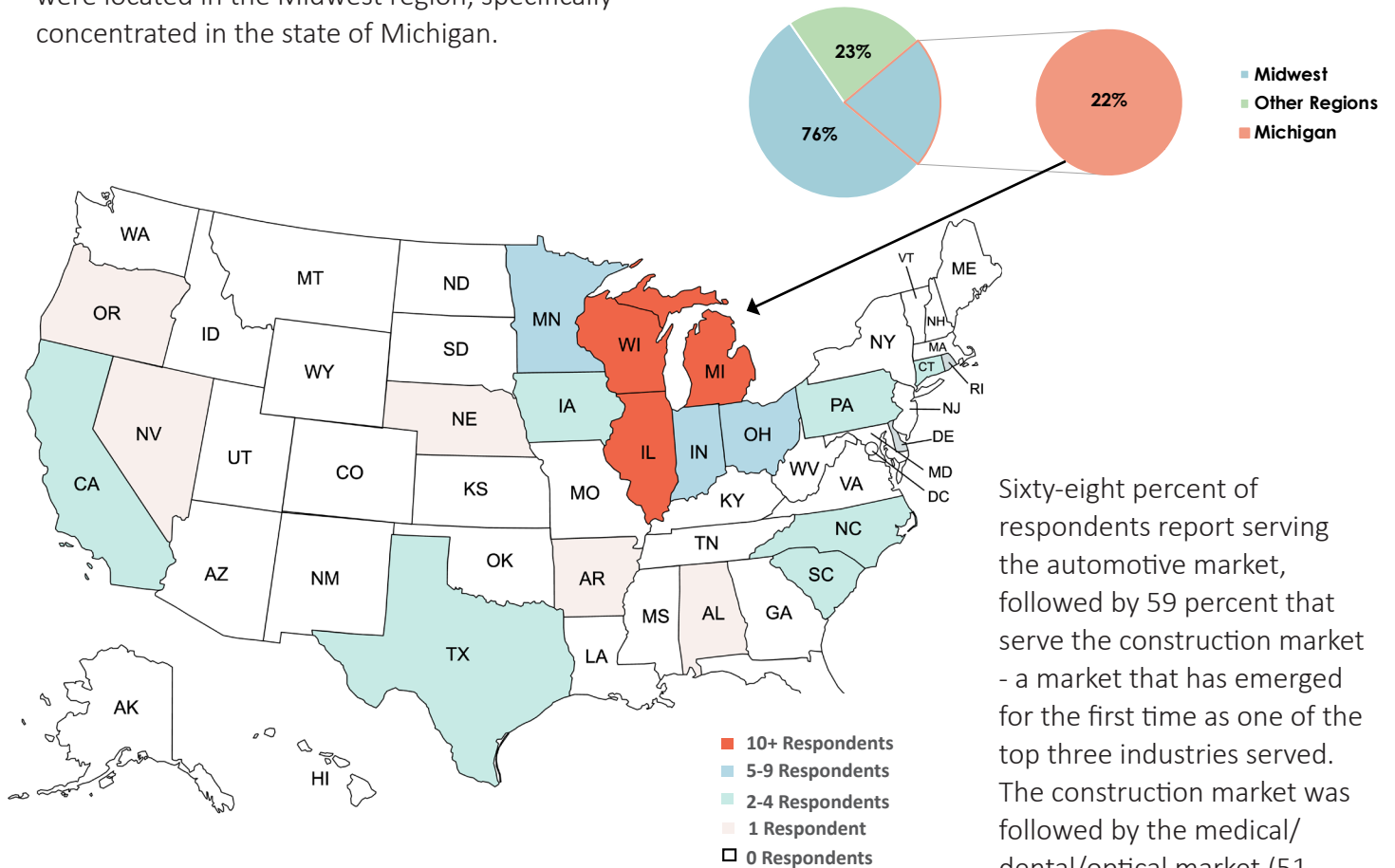
When asked to provide a “gut feel” for business conditions, just over half (56 percent) of respondents rated their company’s current overall state of business as “Excellent” or “Good,” meaning that they feel their companies are identifying and pursuing new opportunities, handling challenges constructively and are largely focused on future growth and opportunity.

Nearly a third of this year’s survey respondents - 29 percent - identified their business as “Neutral”; while 16 percent indicated that business was either poor (capable of managing challenges) or bad (facing incessant challenges and struggling to survive)- double the percentage that reported these conditions in 2023 and 2022.

Demographics

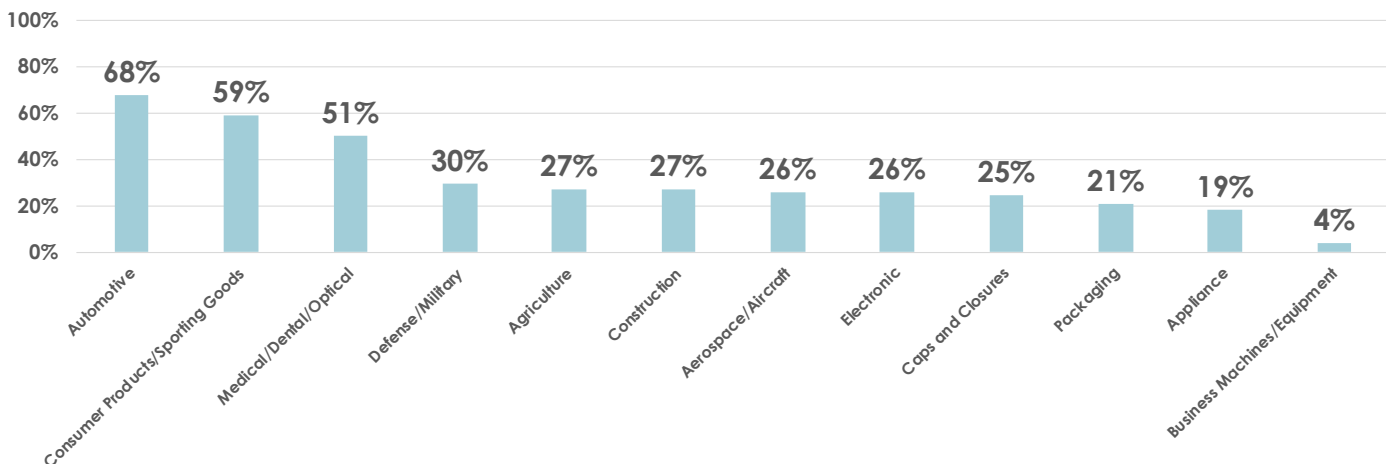
Respondent Location (National and Regional)

Most of this year's respondents (three-in-four) were located in the Midwest region, specifically concentrated in the state of Michigan.



Sixty-eight percent of respondents report serving the automotive market, followed by 59 percent that serve the construction market - a market that has emerged for the first time as one of the top three industries served. The construction market was followed by the medical/dental/optical market (51 percent) and defense/military (30 percent).

Primary Industries Served



Quote Success

Win Rate, 2023 Dollars Won and Trending Data

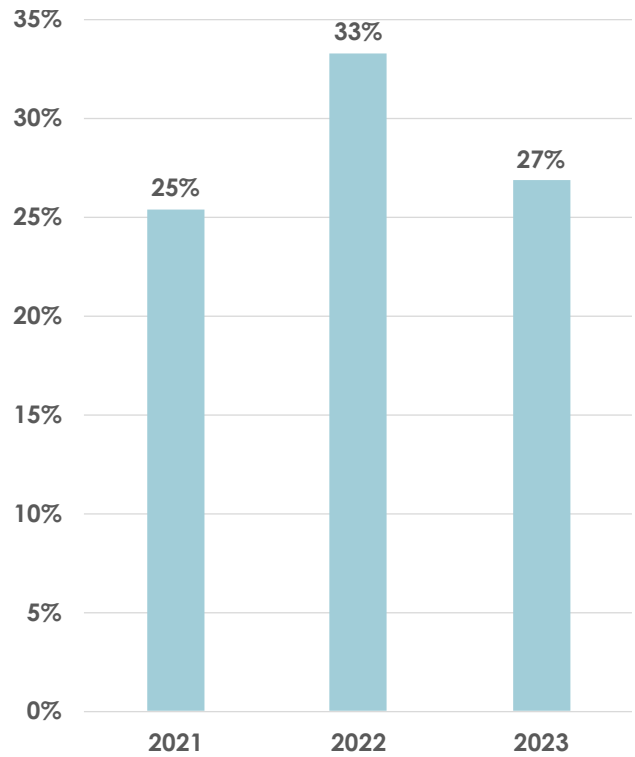
In this year’s survey, 74 respondents provided a percentage representing their overall job dollars won, which averaged to 27 percent.

Additionally, 58 of those 74 provided the total dollars quoted by their companies; this total equaled approximately 556 million, approximately \$162 million of which was won (a slightly higher win rate of 29 percent).

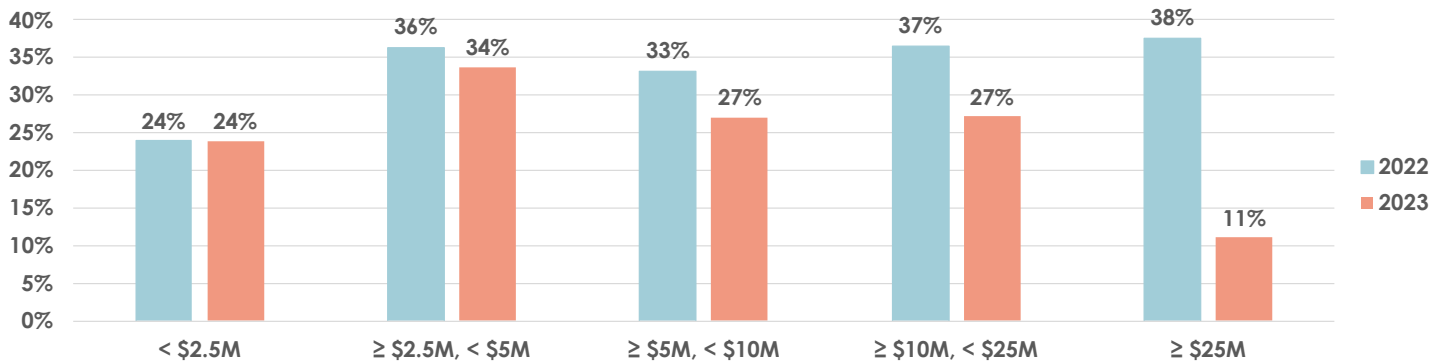
When broken down by annual sales revenue, companies with the highest win rate tended to be above two and a half million and below five million. However, the most notable change was for companies above 25 million in revenue; companies in this size range saw their average percentage of jobs won drop from 38 percent in 2022 to 11 percent this past year.

Generally, companies with the highest gross margin percentages (above 15 percent) reported the highest win rate (47 percent); however, a notable percentage of unprofitable jobs (23 percent) also were won.

Trend: Percent of Job Dollars Won vs. Quoted in Q4



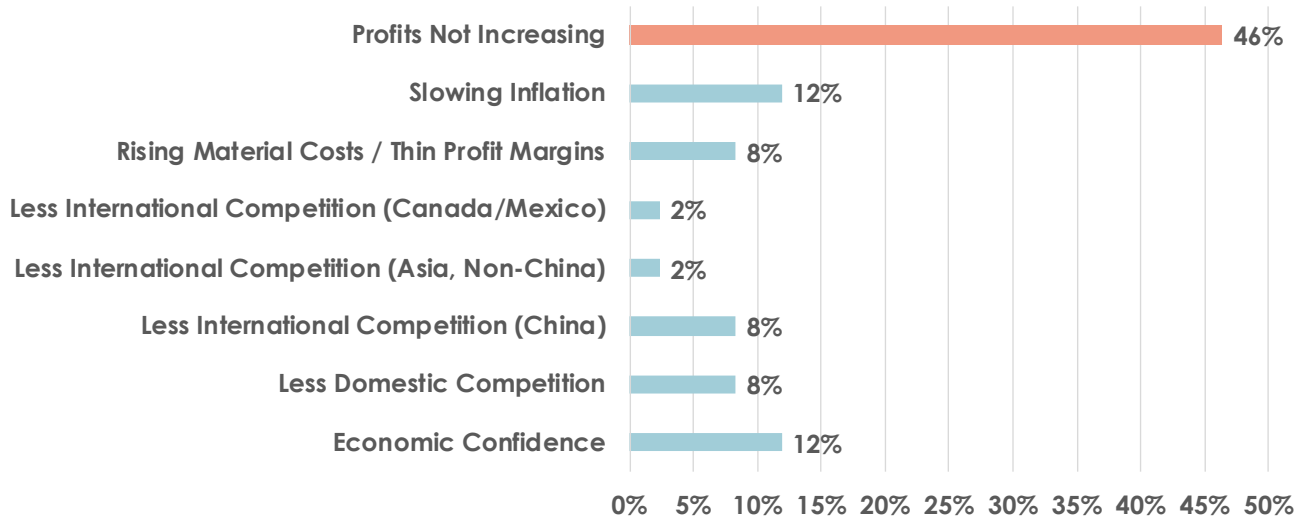
Percent of Job Dollars Won Vs. Quoted in Q4 2023 (by Annual Sales Revenue)



Attribution for Weaker/Rising Profits

Responses: Ranked

Reasons for Increasing Profits



Reasons for Weaker Profits

