

# Growth Opportunities In North America

*WHMA Annual Conference*

*February 2014*

I was seldom able to see an opportunity  
until it had ceased to be one.

Mark Twain

# Growth Opportunities in NA

Where Have We Been – Market Performance

Economic Trends Driving the NA Industry Growth

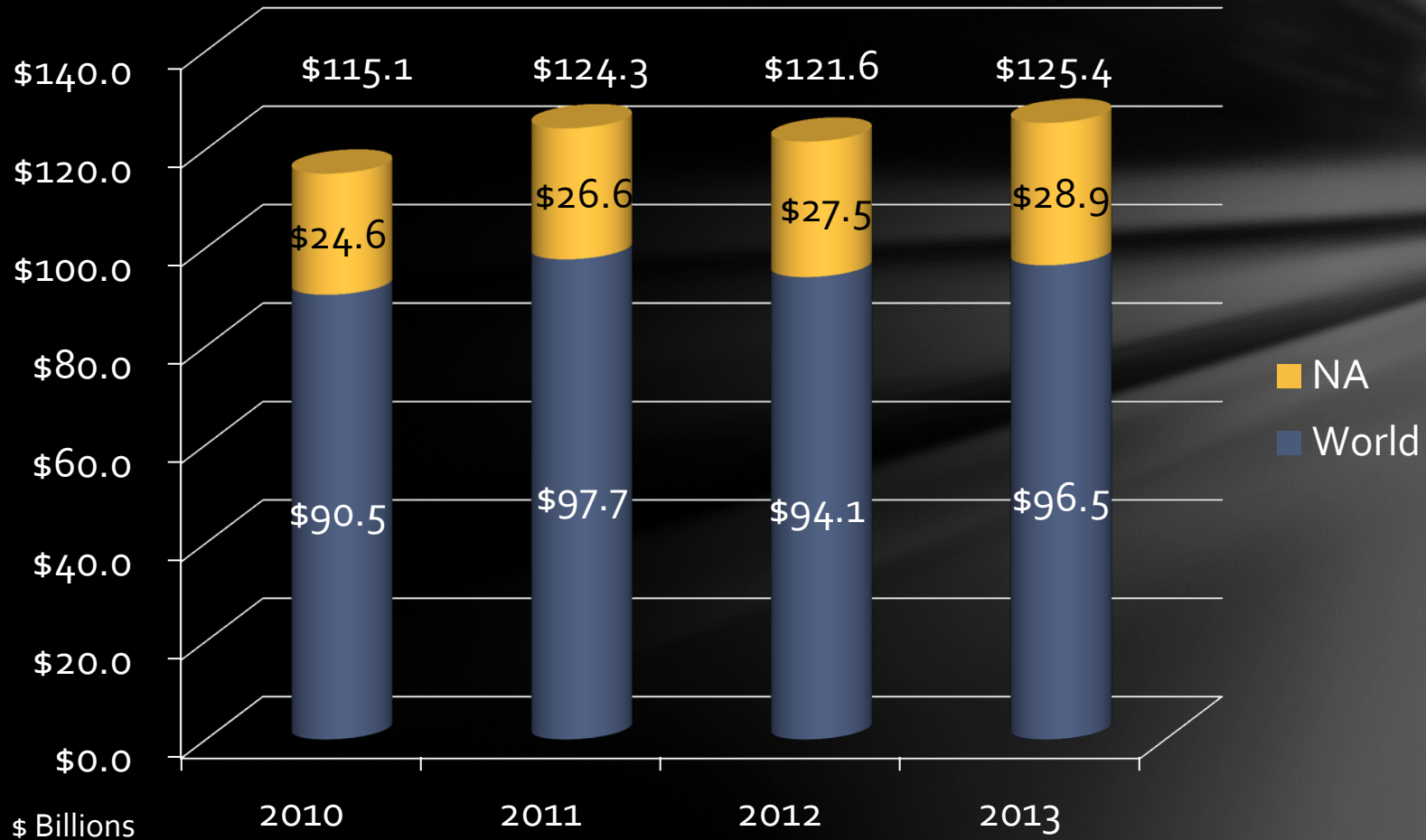
Opportunities by Type & Market sector

Where Is The Market Going

# Industry Performance



# Total & NA Market



# Industry Growth Rates

## Industry Versus NA Year-Over-Year

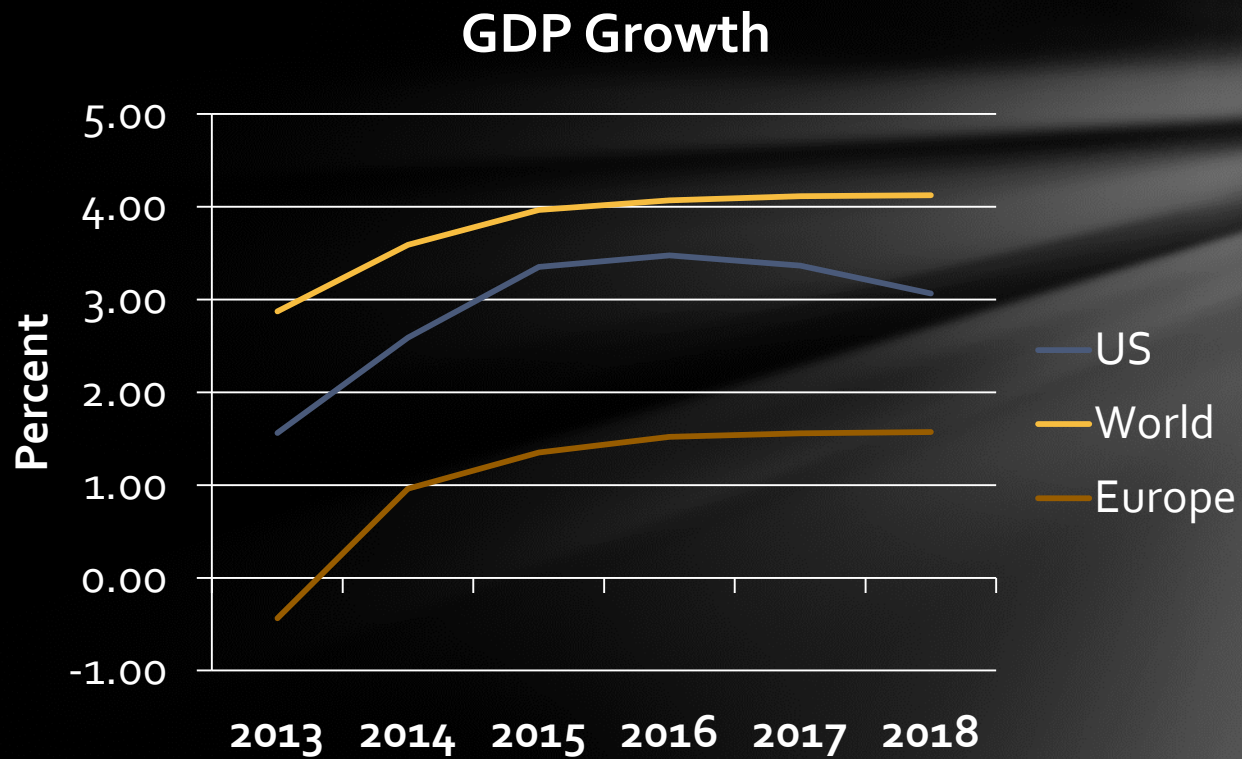


# Economic Trends



# Economic Trends

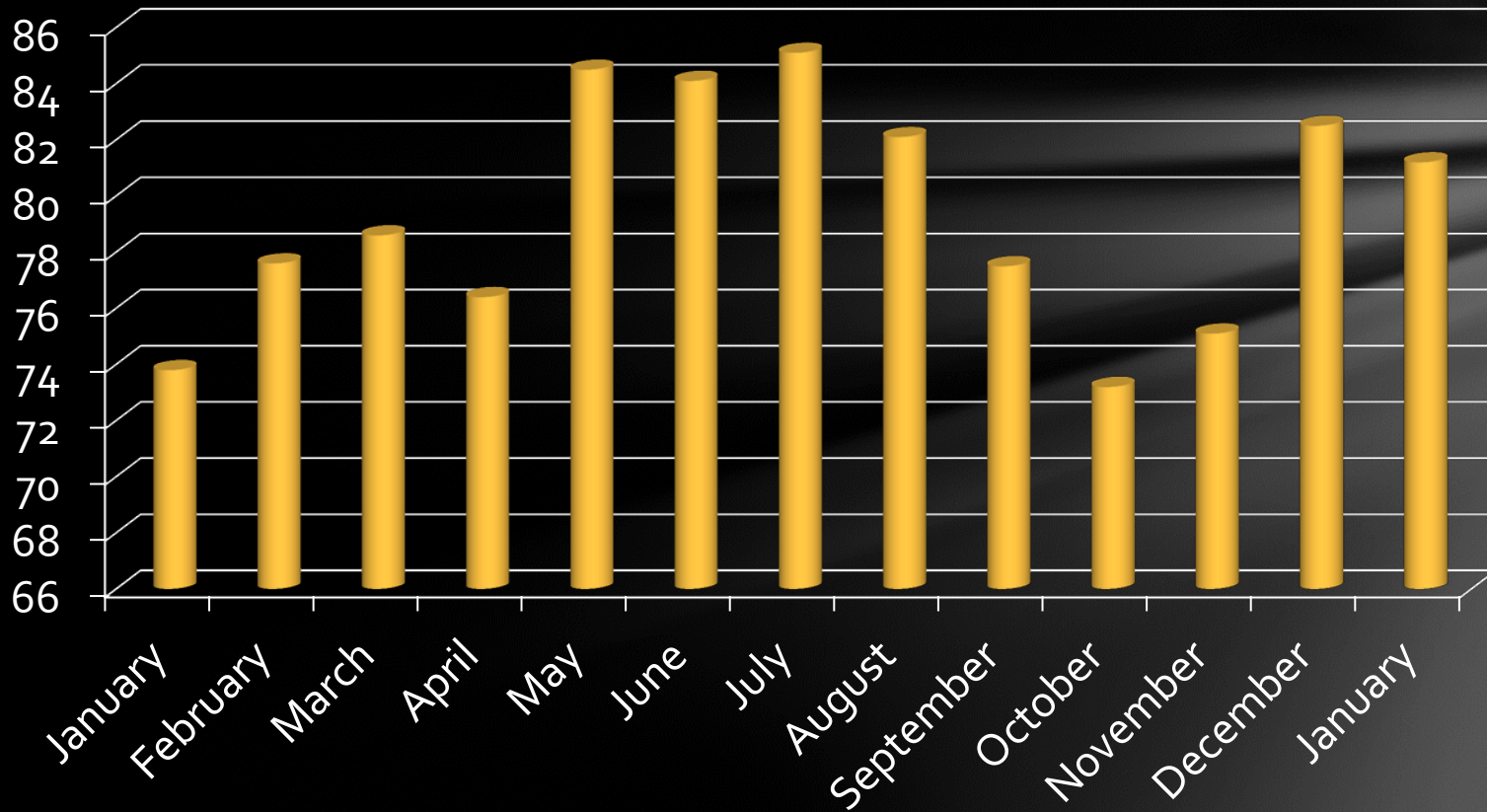
The economies in the Western markets are slowly improving





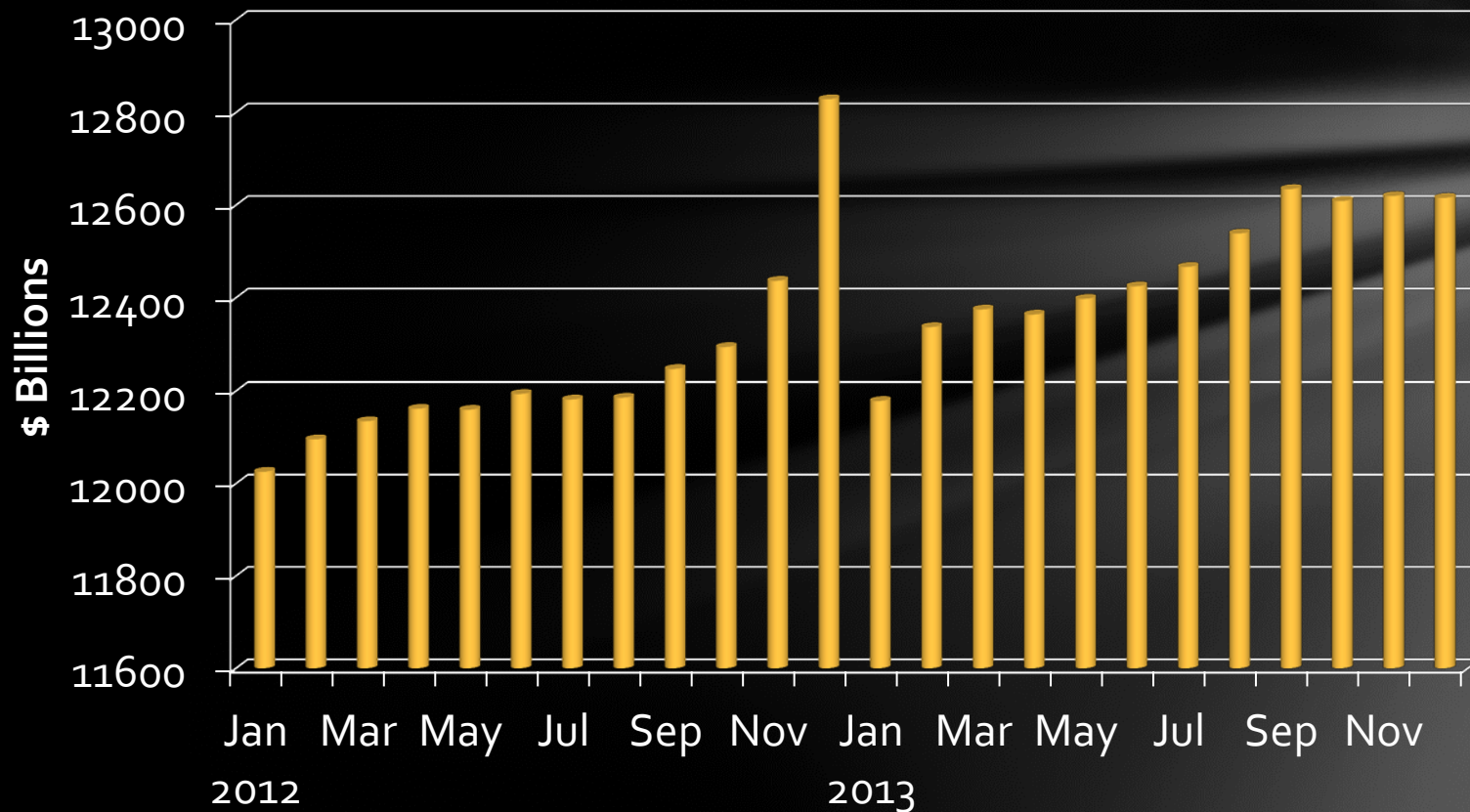
# Consumer Confidence

## 2013 Consumer Confidence in the US



# Disposable Personal Income

## US Disposable Personal Income

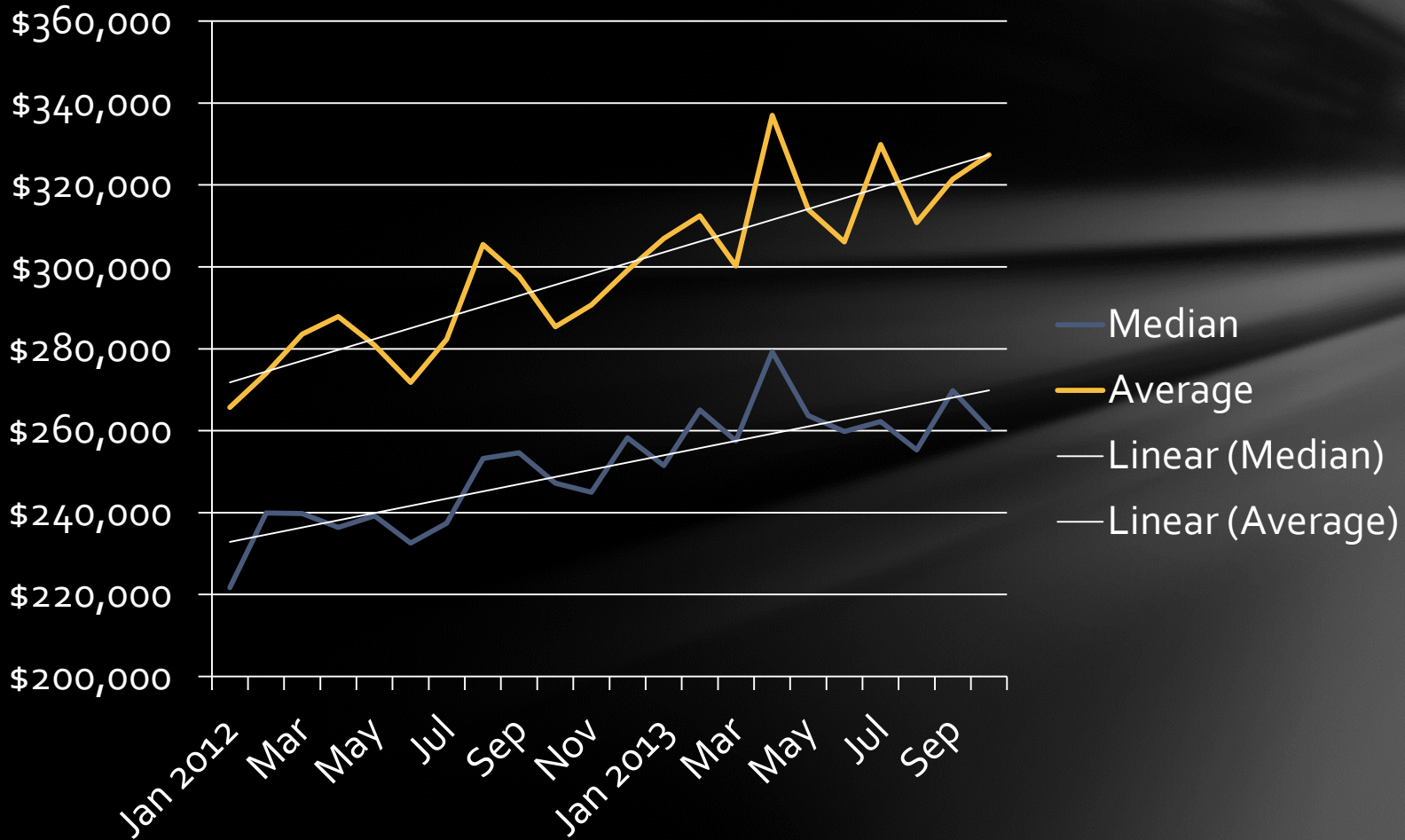


# Dow Jones Industrial Average 2012-2013





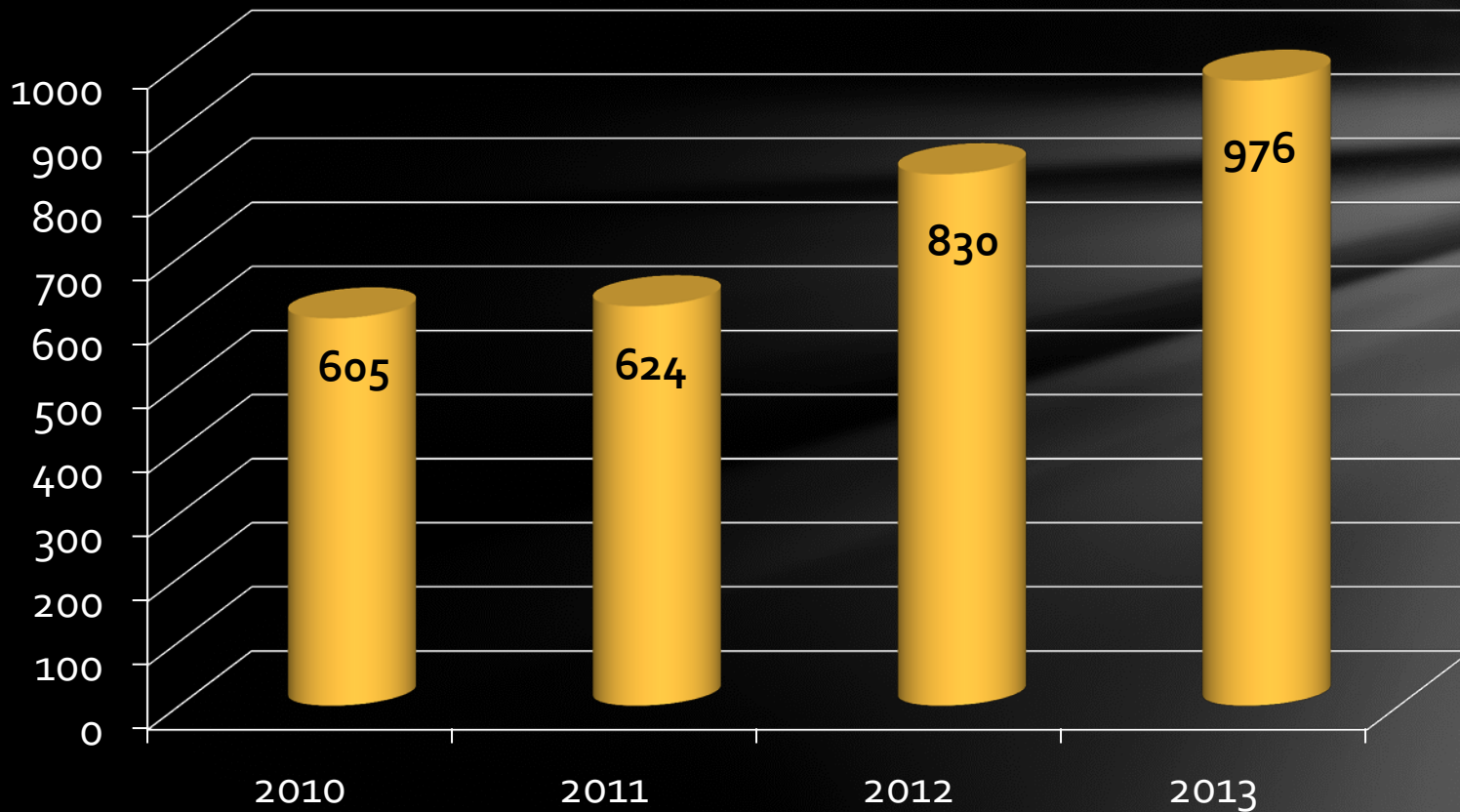
# New Home Values



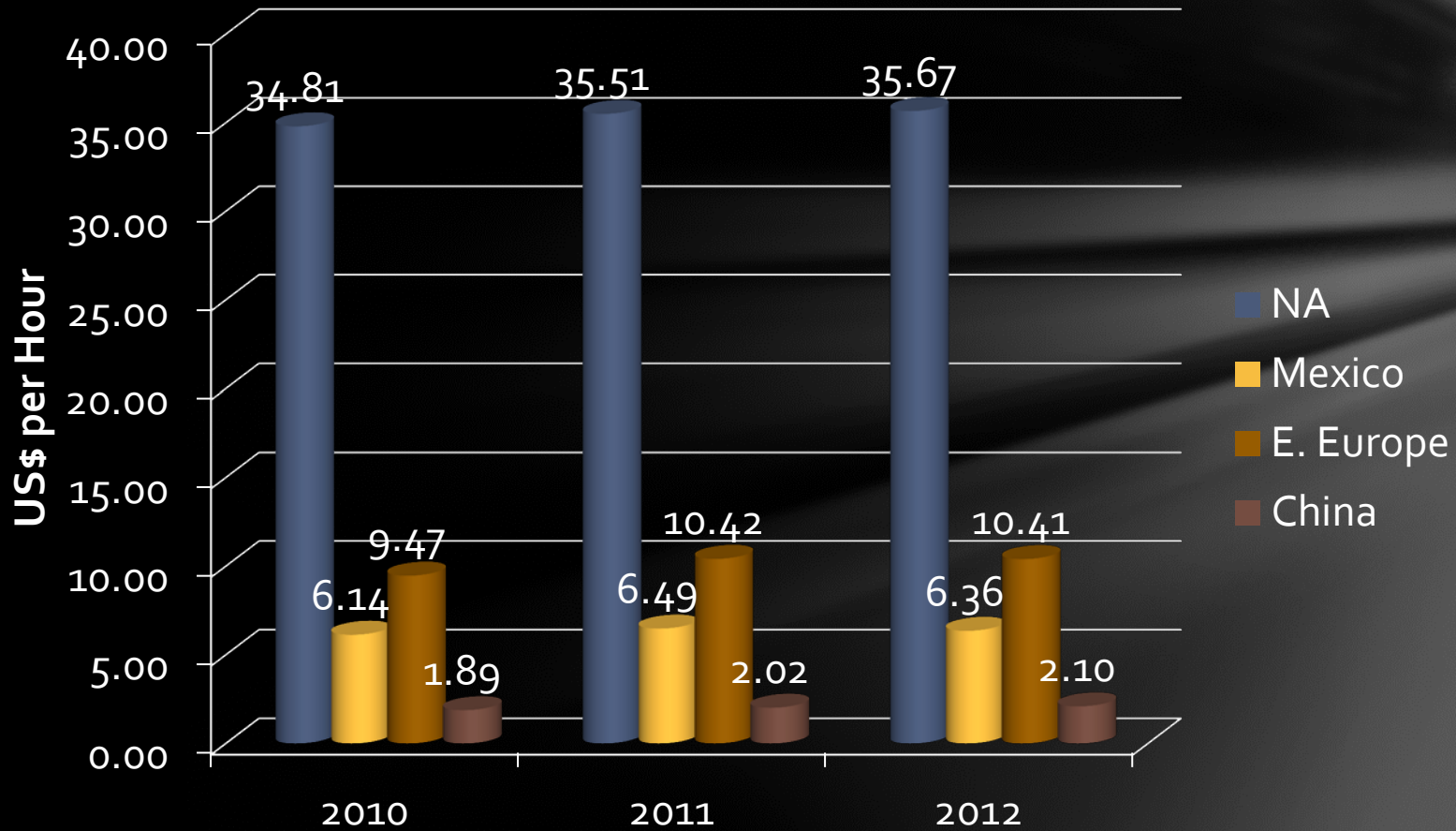


# Housing Starts

US Housing Starts (ooo)

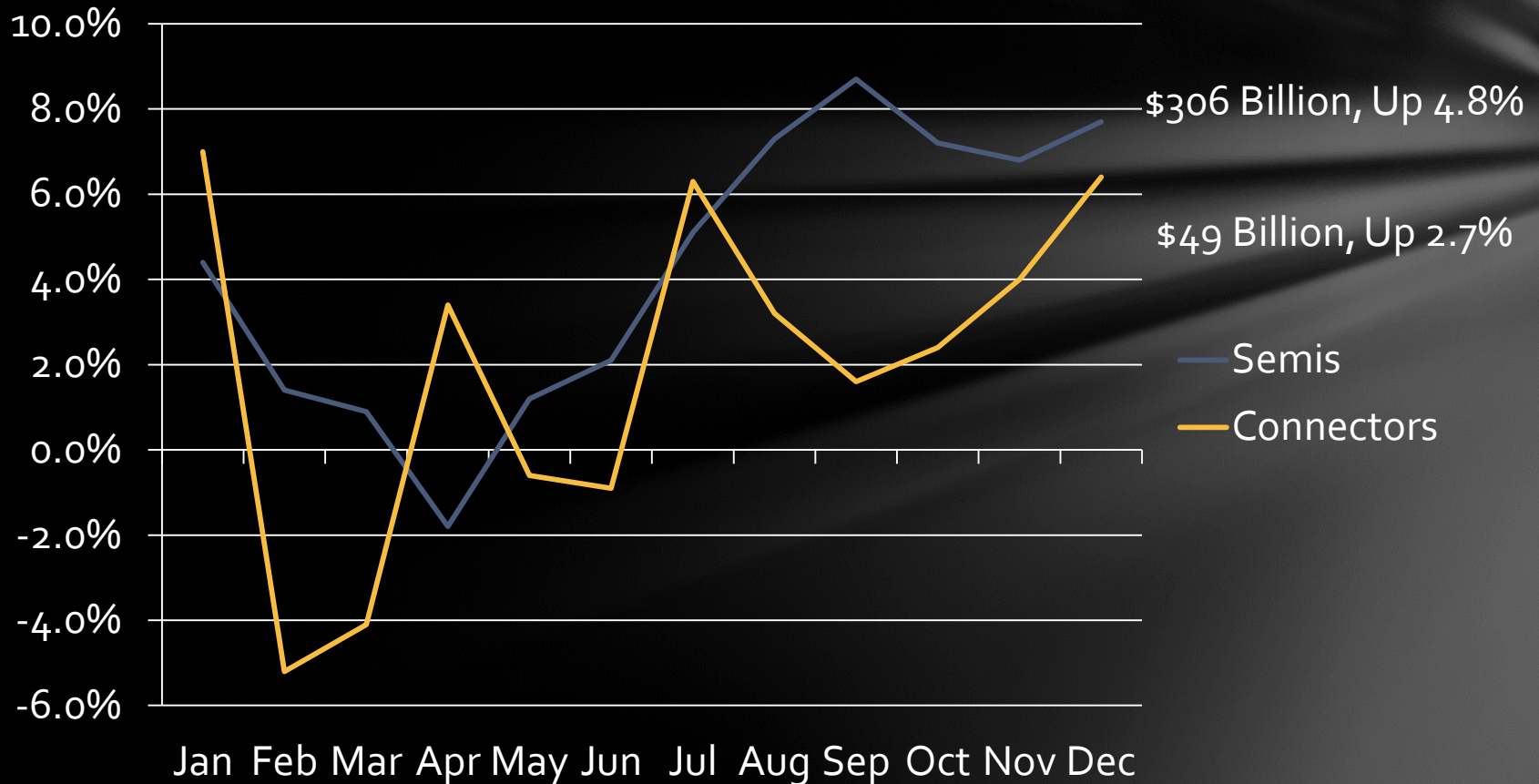


# NA Competitiveness



# 2013 Semiconductor Demand

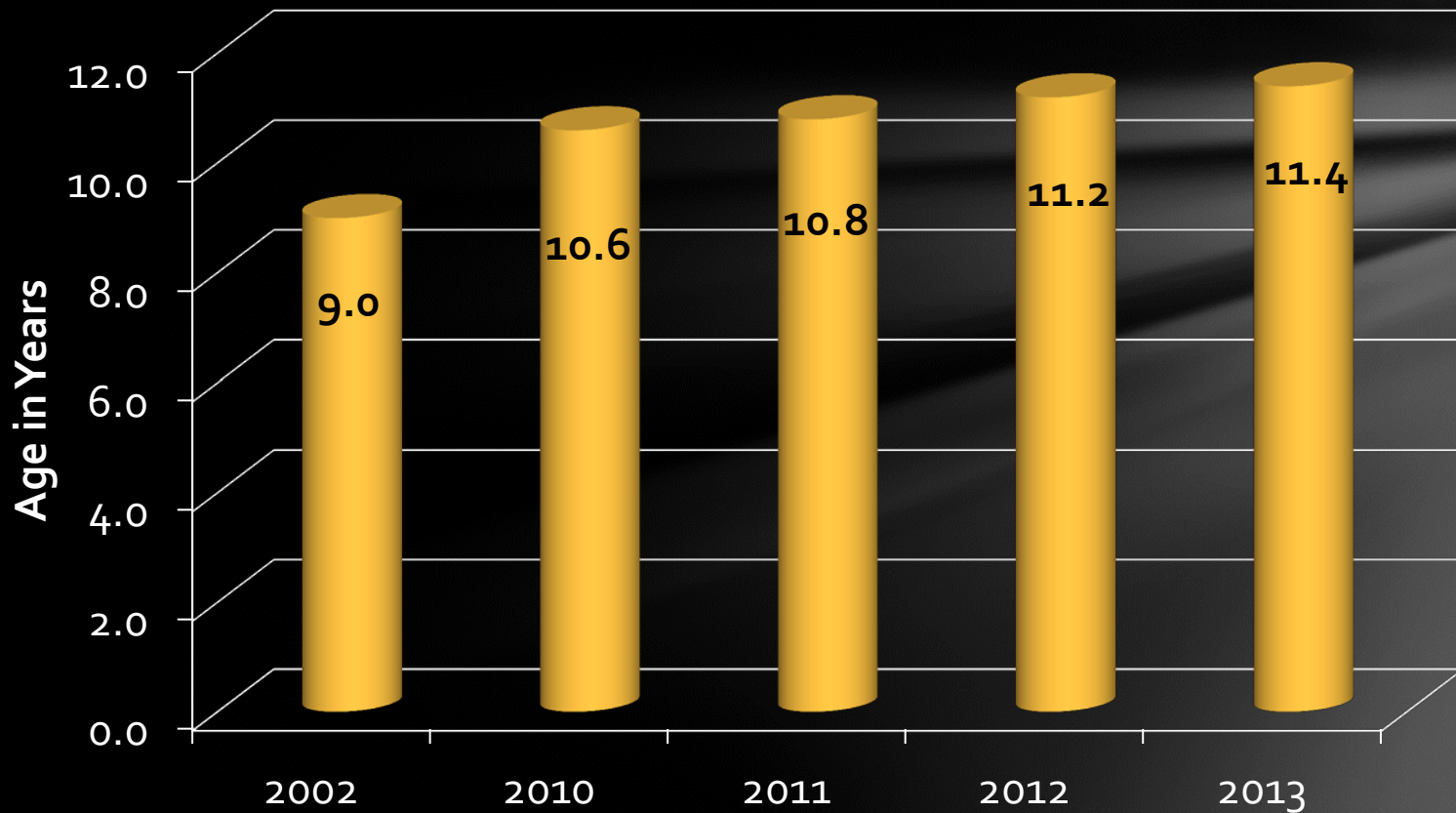
## Semiconductor Versus Connector Growth (YOY)





# Pent-Up Demand - Cars

## Average Age of Cars in NA





# Pent-Up Demand



# Opportunities

# Opportunities

Know Your Objectives and Stick to Your Niches





# Niches By Location

By Individual Customer

By City

By States

By Region of the US

A Worldwide Service Capability



# Niches by Product Specialty

Over-Molded Assemblies

Fiber Optic Assemblies

RF Assemblies

Medical Assemblies

Coil-Cord Assemblies

Electro-Mechanical Assemblies

Wire Leads

# Niches by Market Sector

Military Assemblies

Medical Assemblies

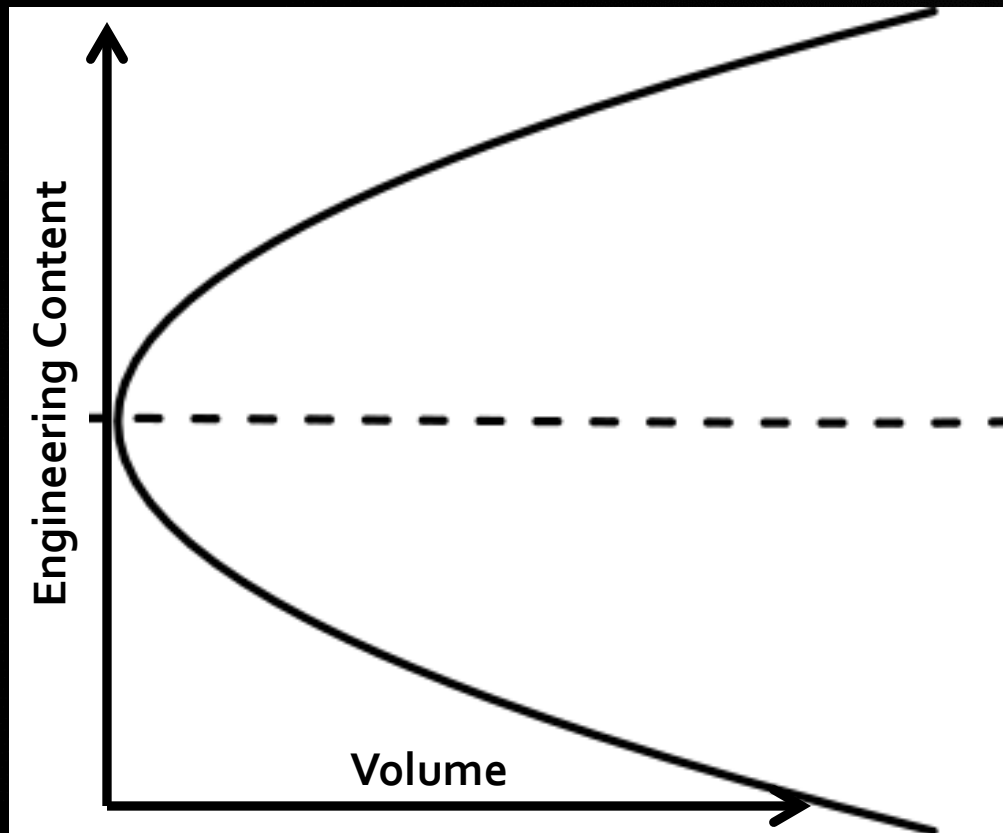
Automotive Wire Harnesses

Appliance Wire Harnesses

Structured Cabling for Datacom

# Niches by Resource Content Vs. Volume

High-Volume/Low Mix versus Low Volume/High Mix  
Resource Cost versus Cost Containment





# Niches by Business Qualification

Minority-Owned Business (8a Certification)

Women-Owned Business (8a Certification)

Urban Enterprise Zones

Special Economic Zones

# Market Sector Opportunities

# Telecom/Datacom

NA growth will be primarily from infrastructure build-outs and upgrades in support of bandwidth and speed demands for smartphones and mobile devices

- From Cisco. Global mobile data traffic grew 81% in 2013 to 1.5 exabytes/month
- 2013 mobile data traffic was 18 times the size of the entire internet traffic in 2000.
- One exabyte = 1,099,511,627,776 megabytes

North America 5 Year CAGR = 8.9%



# Automotive

Automotive growth is expected to stay strong over the next five years.

NA growth will be driven primarily by pent-up demand and aging light vehicles

North America 5 Year CAGR = 7.7%

# Consumer

Consumer will grow on pent-up demand for appliances which were hit hard by the 2008 downturn in the housing market

- Replacement of old units
- Remodeling
- New home construction
- Whirlpool says NA market grew 9% in 2013
- Electrolux expects the NA market to grow 4% in 2014

North America 5 Year CAGR = 11.7%

# Transportation

NA growth will be driven by:

- Airframe manufacturing (narrow body jets) for passenger service
- Trains and trucks for shipping
- Buses for passenger service

North America 5 Year CAGR = 5.2%



# Industrial

Industrial will grow over the next five year primarily in support of the automotive (factory automation), energy exploration/extraction and new home/buildings HVAC.

Industrial will also grow in support of all industries benefitting from overall economic growth in NA.

North America 5 Year CAGR = 6.4%

# Medical

Medical device sales have been negatively affected by the Affordable Care Act and actions by Medicare system to reduce payments on certain procedures

NA growth will be primarily in home health self-monitoring systems

North America 5 Year CAGR = 4.4%

# Computer/Peripheral

PCs will probably continue to contract in 2014

Growth will be in mobile devices and peripherals

NA growth will be primarily in storage systems for cloud computing and storage

North America 5 Year CAGR = 3.9%



# Military/Aerospace

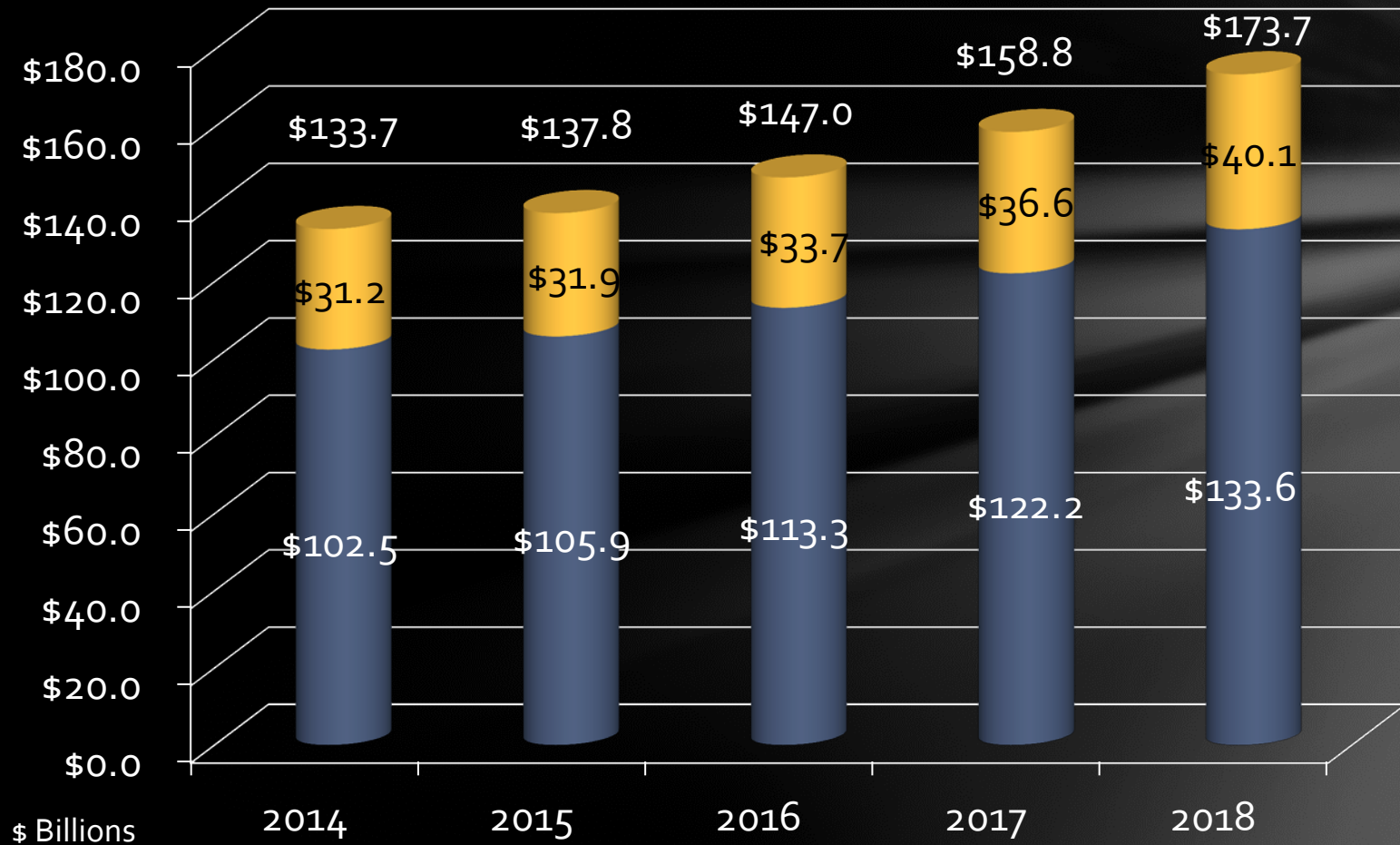
Market opportunities are uncertain over the next five years. Many cutbacks and curtailments already in place (\$85 billion per year).

Many regional conflicts with potential to pull-in Western allies

North America 5 Year CAGR = 2.8%

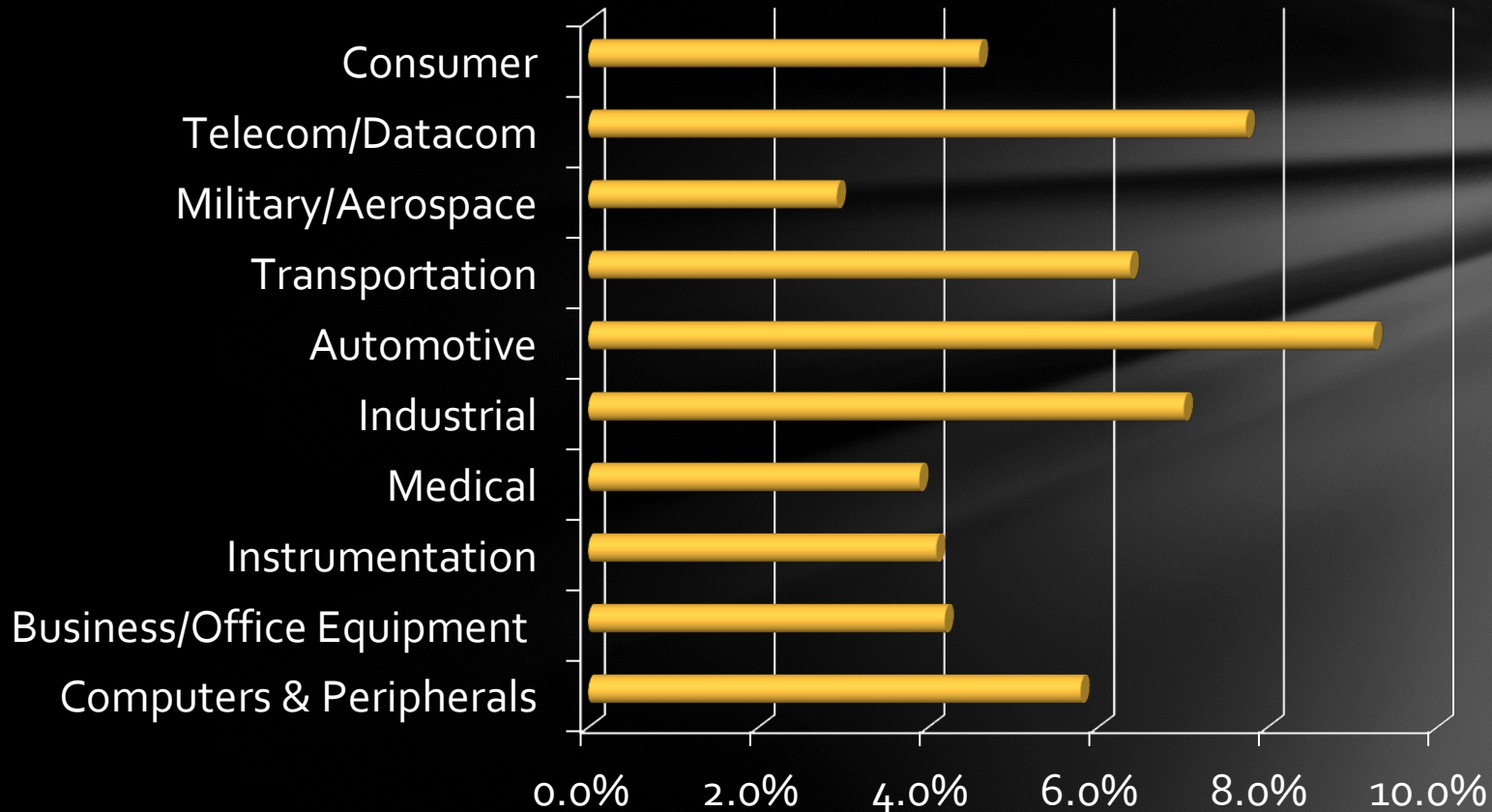
# The Next Five Years

# Total & NA Market



# Worldwide Growth by Market Sector

## 5-Year CAGR - Percentage





Opportunity is missed by most people because it is dressed in overalls and looks like work.

Thomas A. Edison

Thank you for this opportunity  
to present to you.

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