

HDMA Pulse Report February 2022

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NOTES

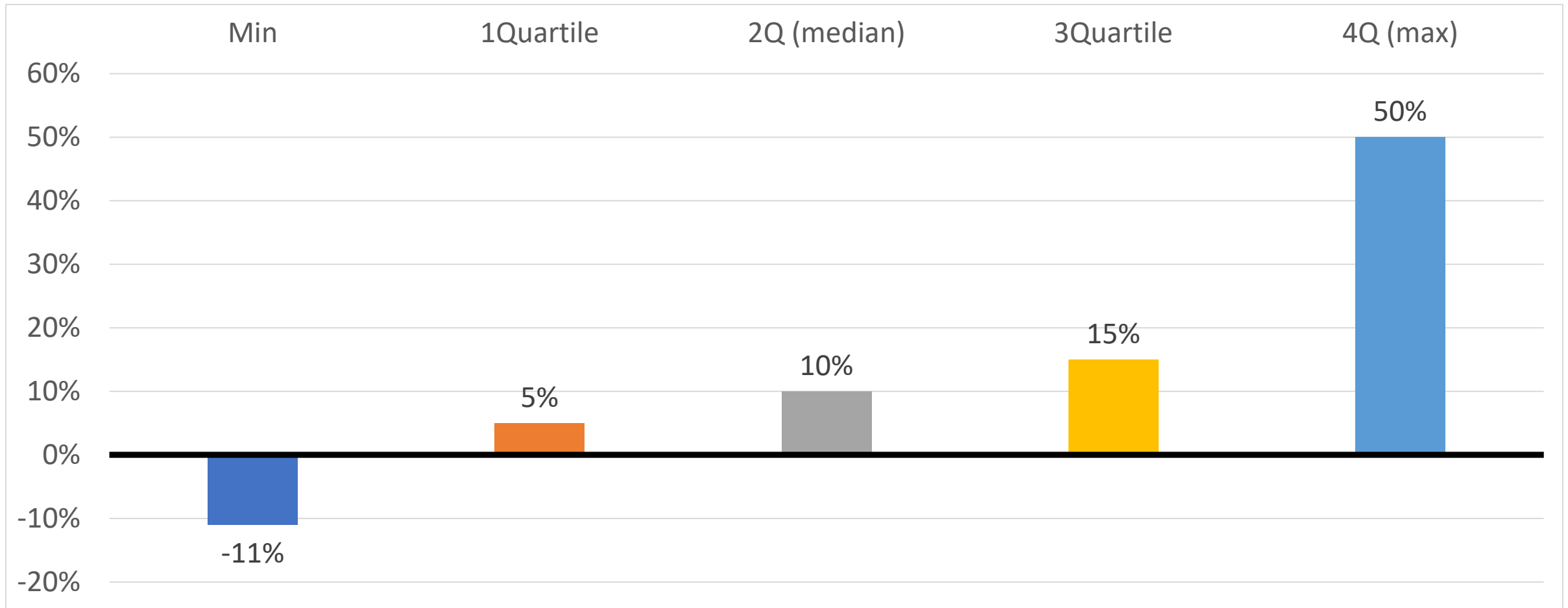
- Data is from our HDMA Pulse Survey March 2022
 - 32 completions
- Total commercial vehicle supply market
 - Classes 4-8, plus trailer
 - Off-highway 50hp+
 - Independent aftermarket & OES

FINDINGS

1. Supplier ability to meet demand for the past month was 90% OE and 85% aftermarket, little changed in over half a year.
2. Remote work and the ability to meet with customers continues to create challenges for suppliers on top of those created by inflation, the labor market and supply chain difficulties.
3. As part of the ongoing supply chain issues, two-thirds of respondents reported having received Force Majeure letters from major suppliers during 2022 and about three in ten have issued a letter.

SUPPLIER BUSINESS PLAN – QUARTER

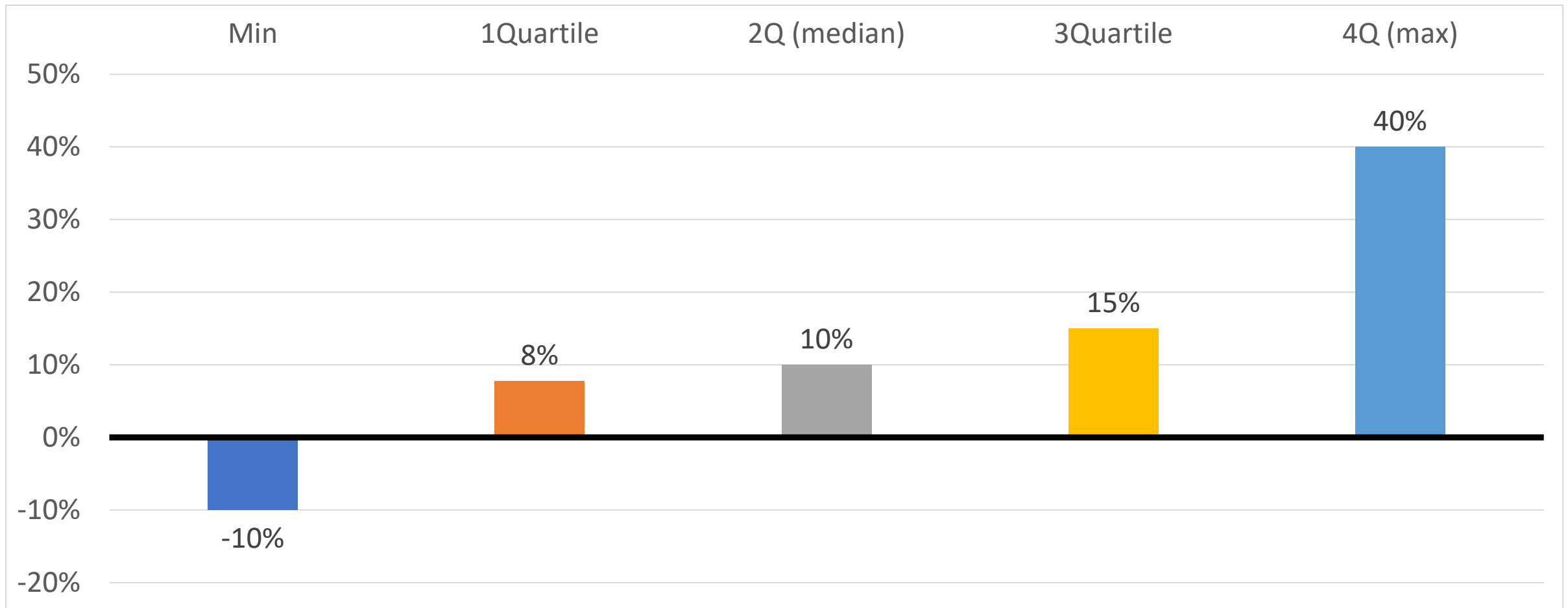
What is your current North America Q1-2022 commercial vehicle business plan compared to Q1-2021?



Average: 12%
February: 8%

SUPPLIER BUSINESS PLAN – NEXT QUARTER

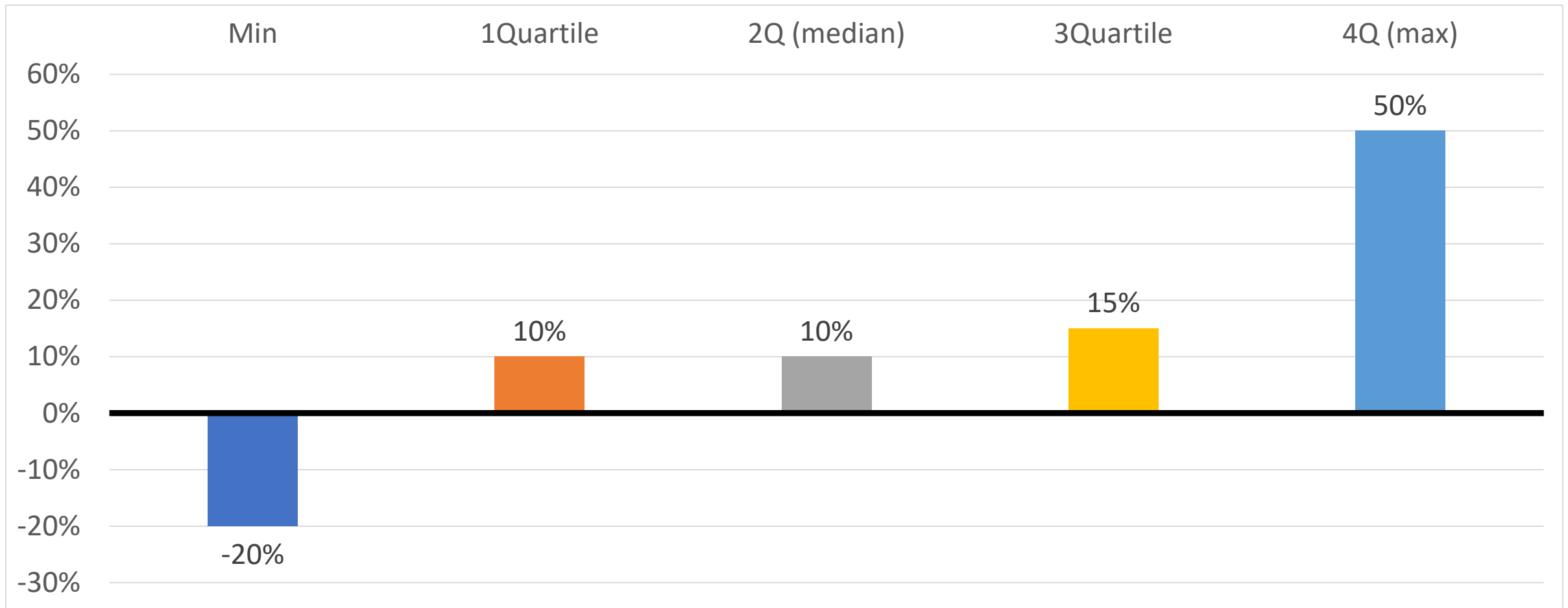
What is your current North America Q2-2022 commercial vehicle business plan compared to Q2-2021?



Average: 11%

SUPPLIER BUSINESS PLAN – ANNUAL

What is your current North America 2022 commercial vehicle business plan compared to 2021?

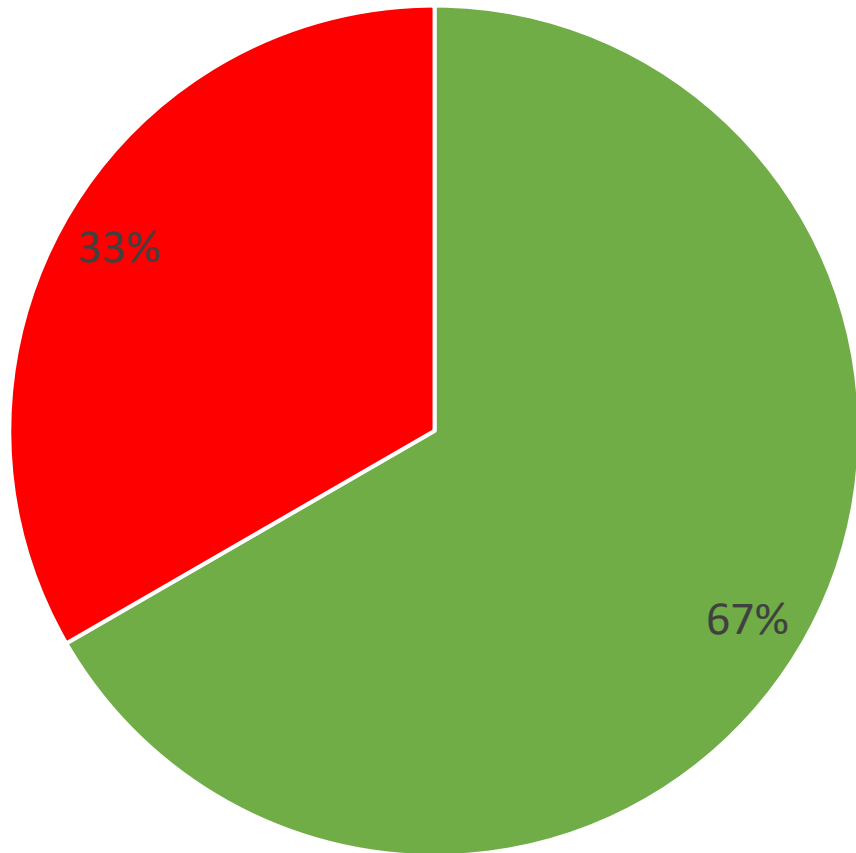


Average: 11%

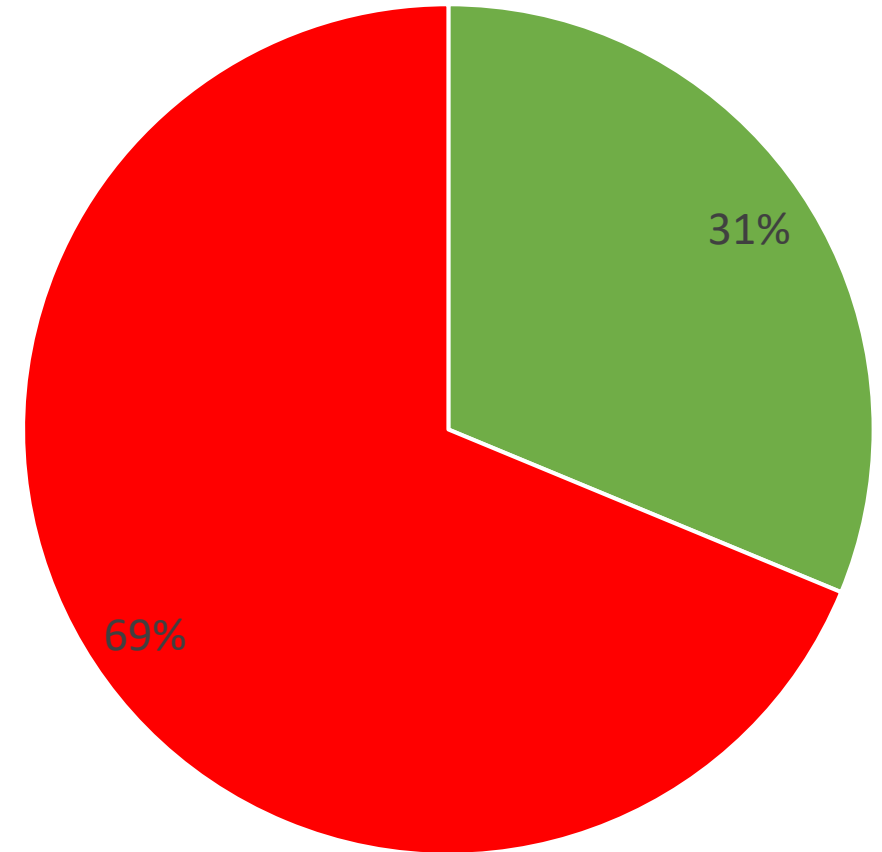
FORCE MAJUERE

During 2022, have you received/issued force majeure letters from/to major suppliers/customers?

Received



Issued



■ Yes
■ No

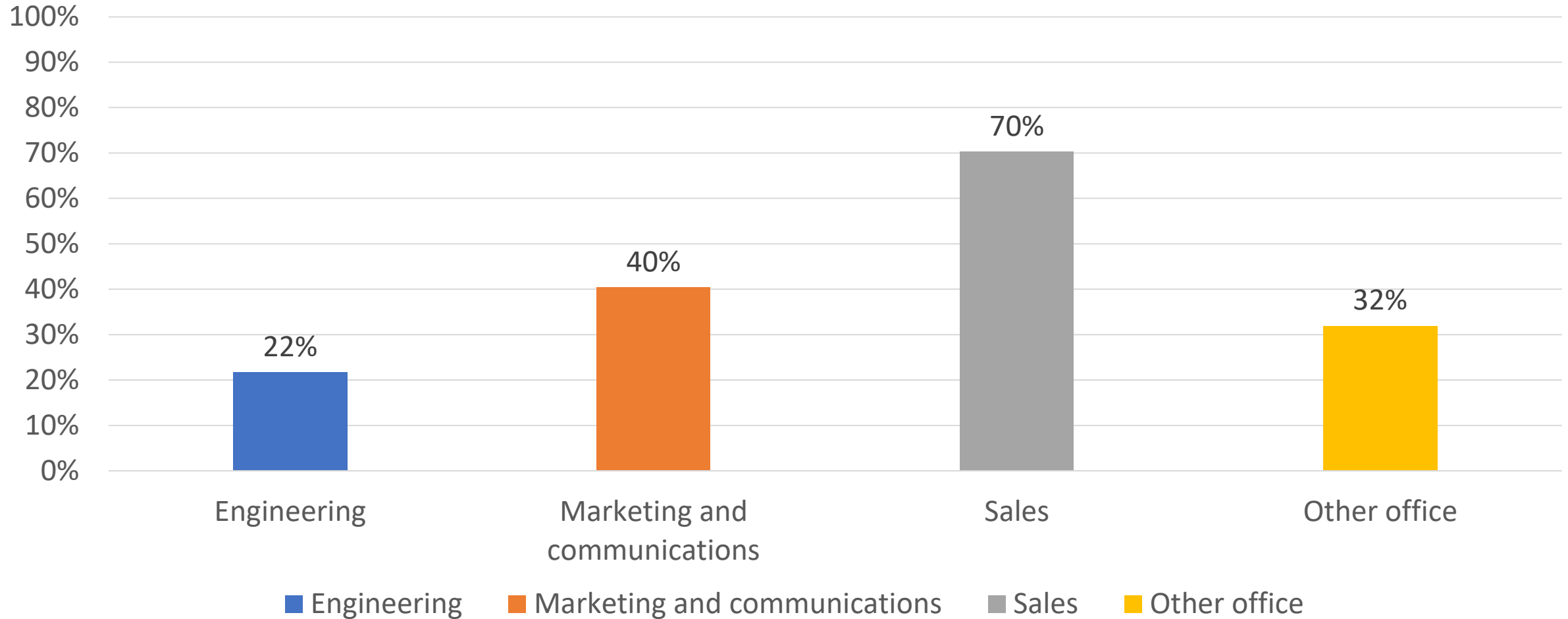
MARCH PULSE POLL

What percentage of your work is now remote?

- **0-20% - 44%**
- **21-40% - 19%**
- **41-60% - 3%**
- **61-80% - 11%**
- **81-100% - 22%**

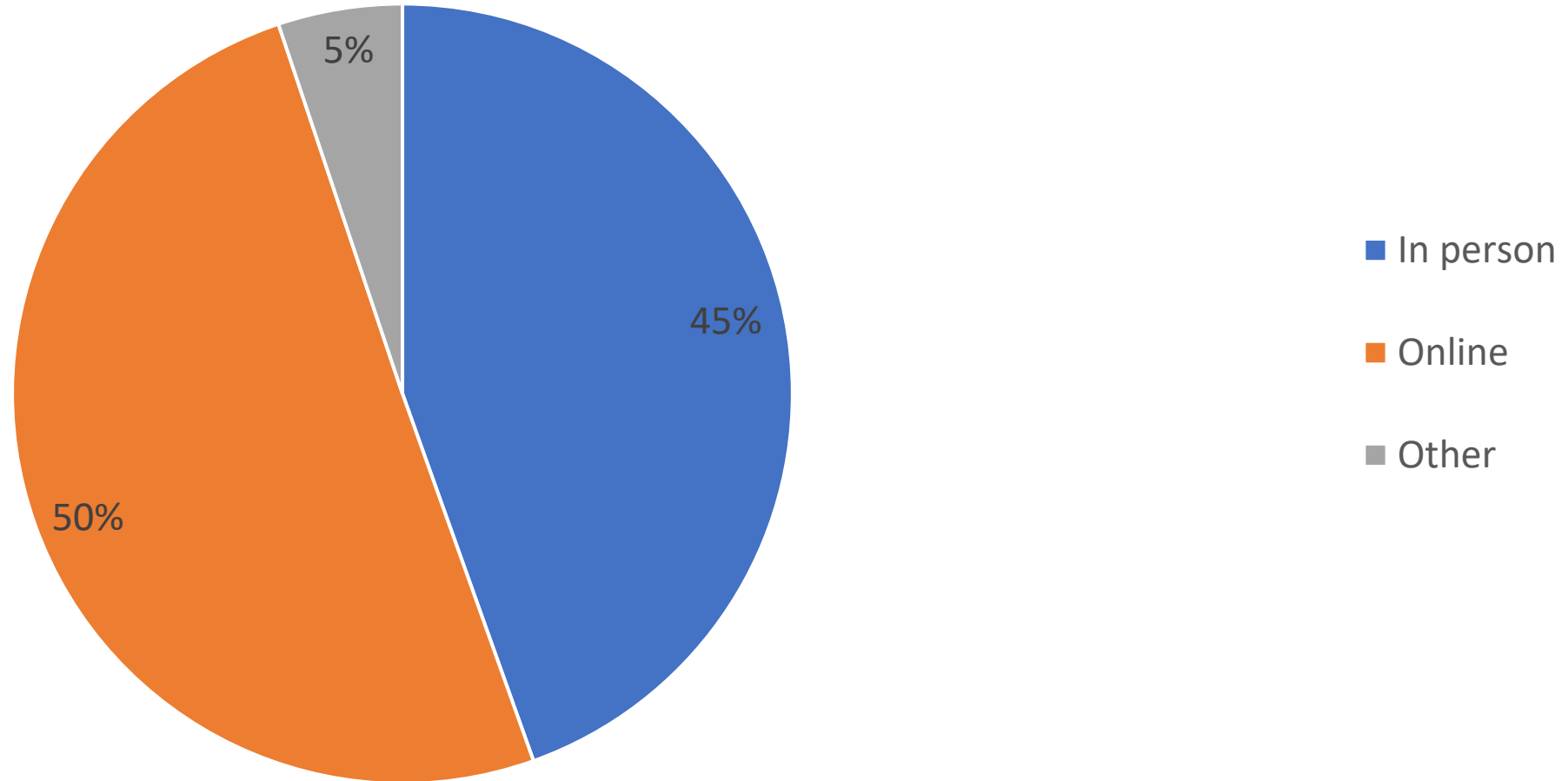
REMOTE WORK

Please enter the approximate percent of work that is performed by remote employees by operational area.



SALES CALLS

Please categorize how your company is currently performing sales calls:



MEETING BARRIERS

What is the greatest barrier you are facing in terms of meeting customers face-to-face?

- Customer office restrictions and customer availability (limited time).
- Customers willingness to allow entry into their locations. Many will not meet off-site, either.
- Differing requirements based on location, but otherwise travel seems to be moving back towards normal.
- Legal fear of potential lawsuits if our people were to be identified as infecting a customer employee. Too many conflicting rules and regulations to keep track of.
- Limited restrictions but respecting our customers wishes if they are allowing customers in. Some country limitations are causing some disruption.

MEETING BARRIERS

What is the greatest barrier you are facing in terms of meeting customers face-to-face?

- OEMs don't want to see suppliers unless it is an emergency. Aftermarket customers are fine with face-to-face meetings.
- OEMs remain reluctant to open their offices to suppliers, and we have become more comfortable with the value trade-off between on-line meetings and travelling to see customers.
- The customer's time is being spent finding product from the supply chain.
- We are primarily trying to visit maintenance departments at fleets. Staffing shortages there are making this difficult - all hands on deck.

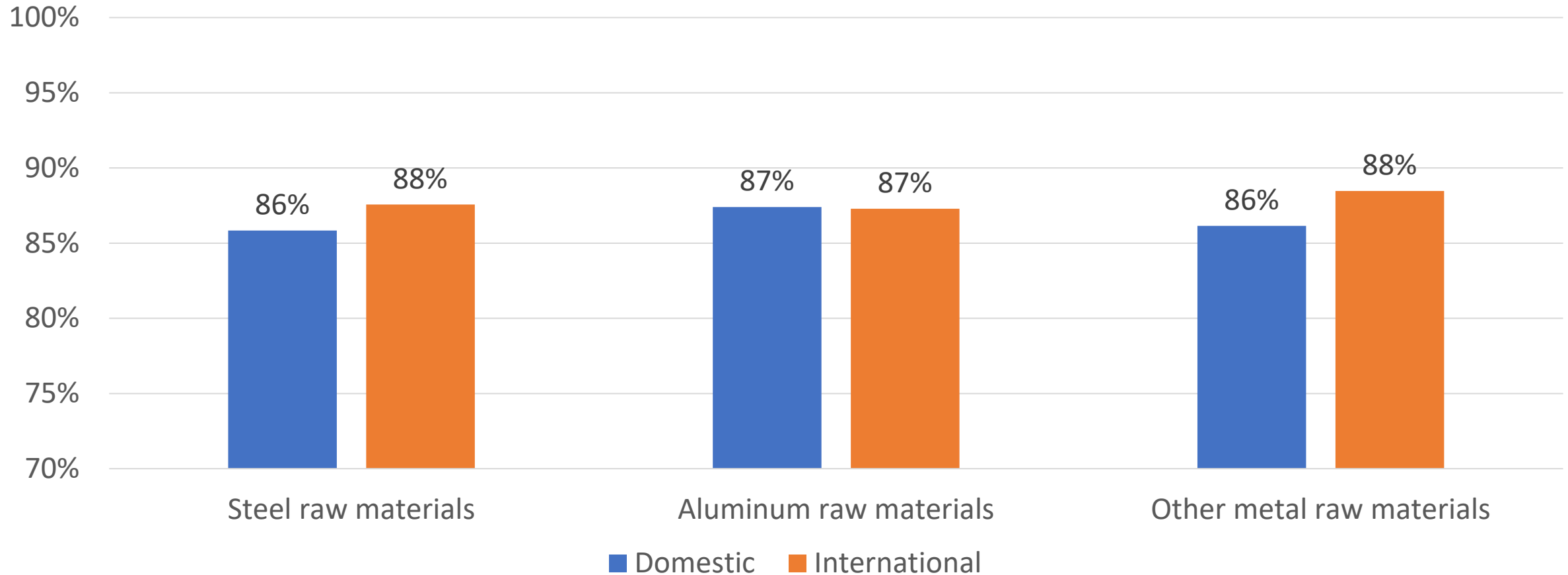
MARCH PULSE POLL

What do you expect the landscape of CV sales calls to be?

- **It may take time, but we will eventually return to 2019 practices - 13%**
- **Online meetings will continue to decline, but remain significant - 78%**
- **The current balance of meetings will likely hold for years to come - 10%**
- **It may take time, but in-person meetings will all but disappear - 0%**

SUPPLY CHAIN – METALS

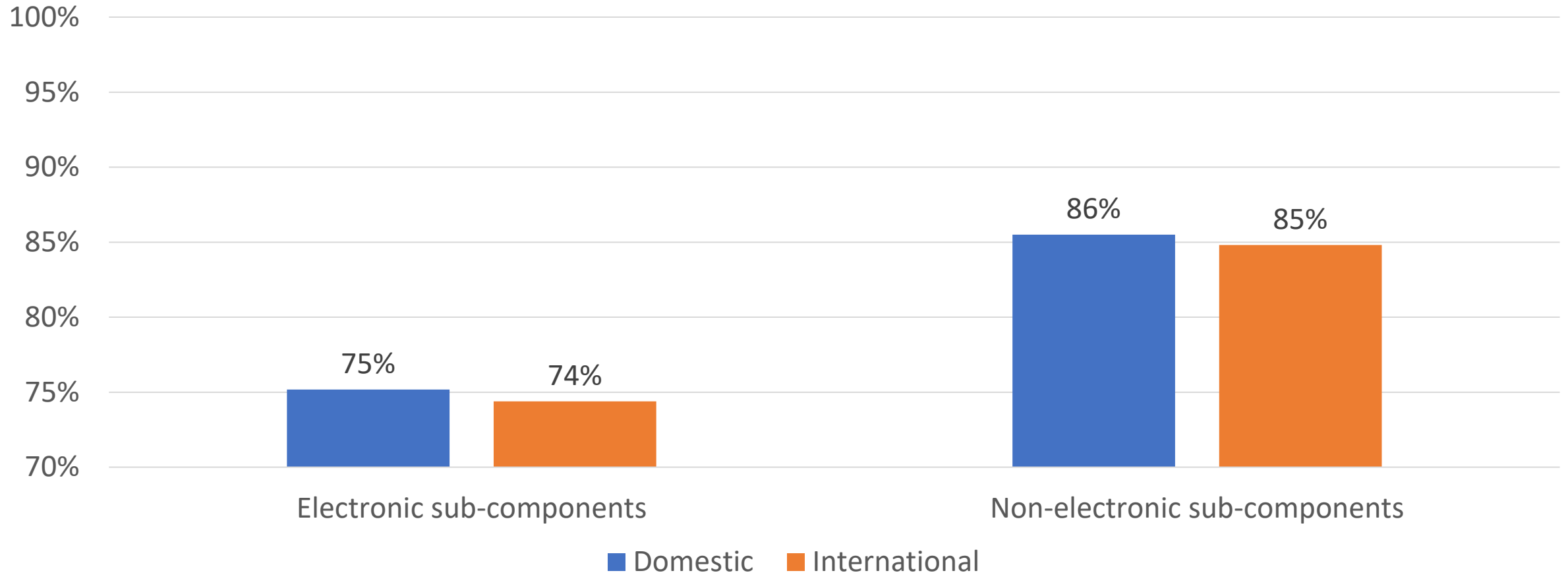
Please rate the overall condition of your company's supply chain by category compared to current demand levels.



Average of response midpoints

SUPPLY CHAIN – SUB-COMPONENTS

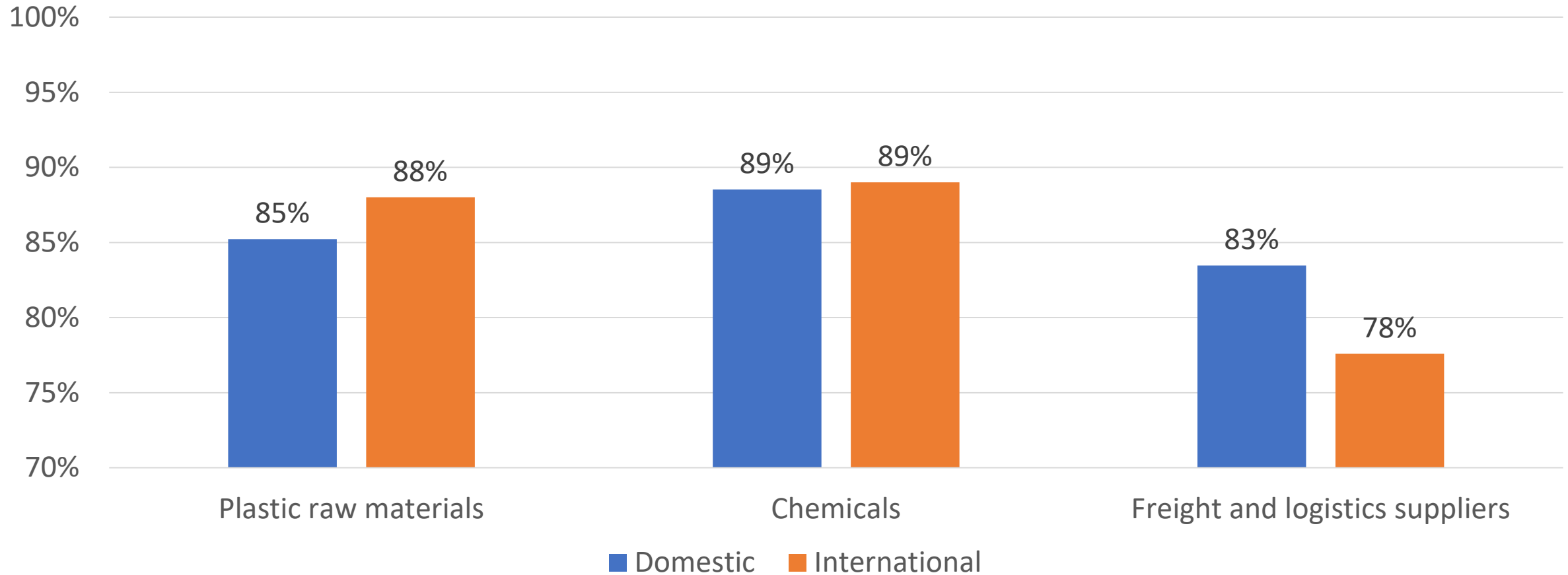
Please rate the overall condition of your company's supply chain by category compared to current demand levels.



Average of response midpoints

SUPPLY CHAIN – OTHER

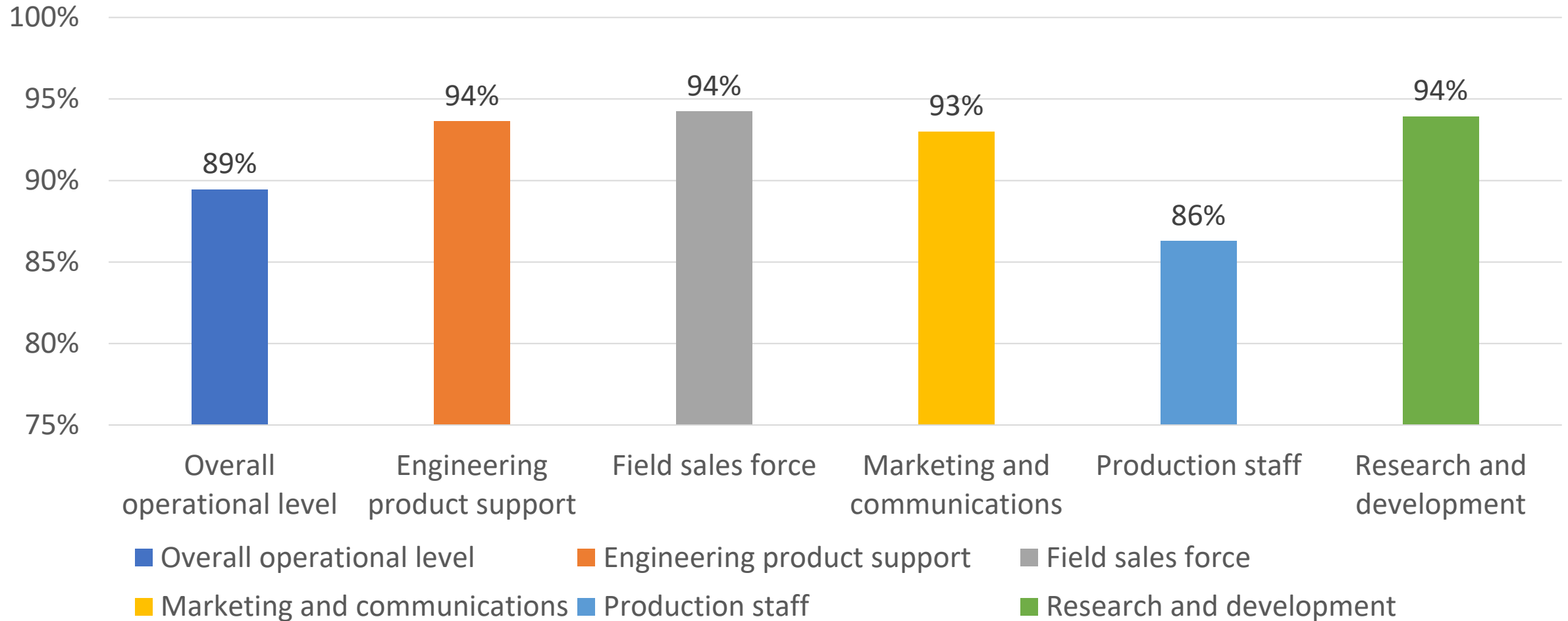
Please rate the overall condition of your company's supply chain by category compared to current demand levels.



Average of response midpoints

STAFFING CONSTRAINTS

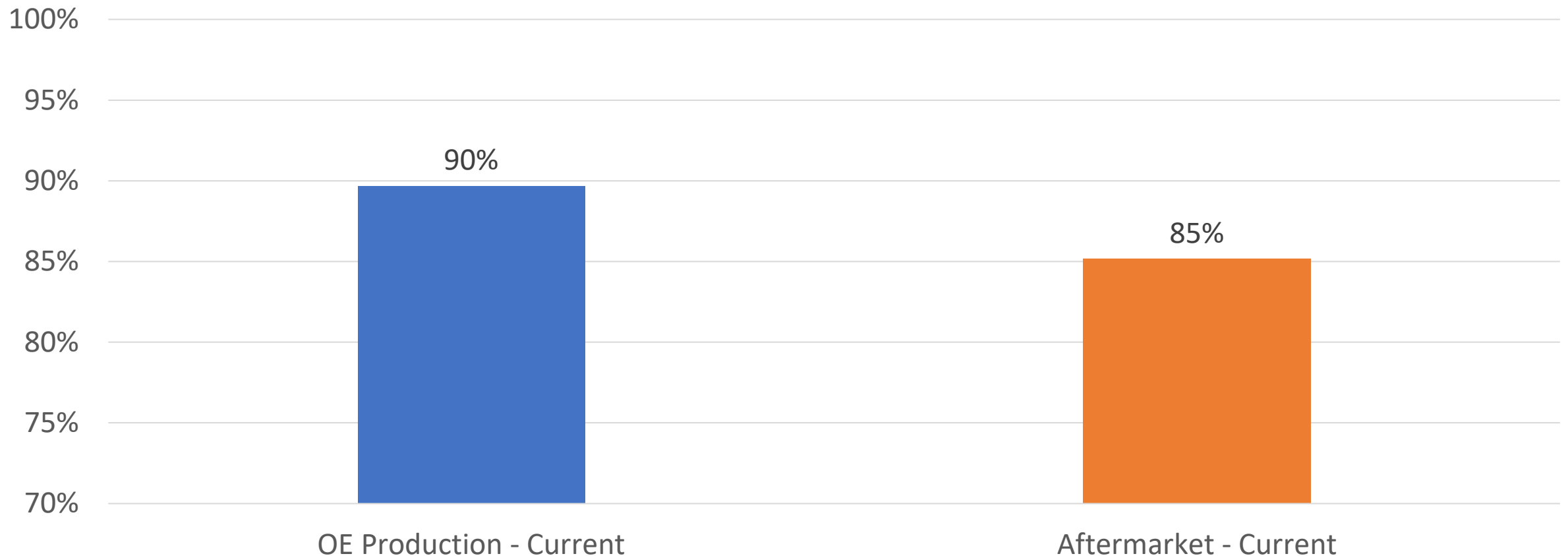
Please rate your company's current staffing levels by function or department as compared to your current demand levels.



Average of response midpoints

SUPPLY CHAIN – SUPPLIER STATUS

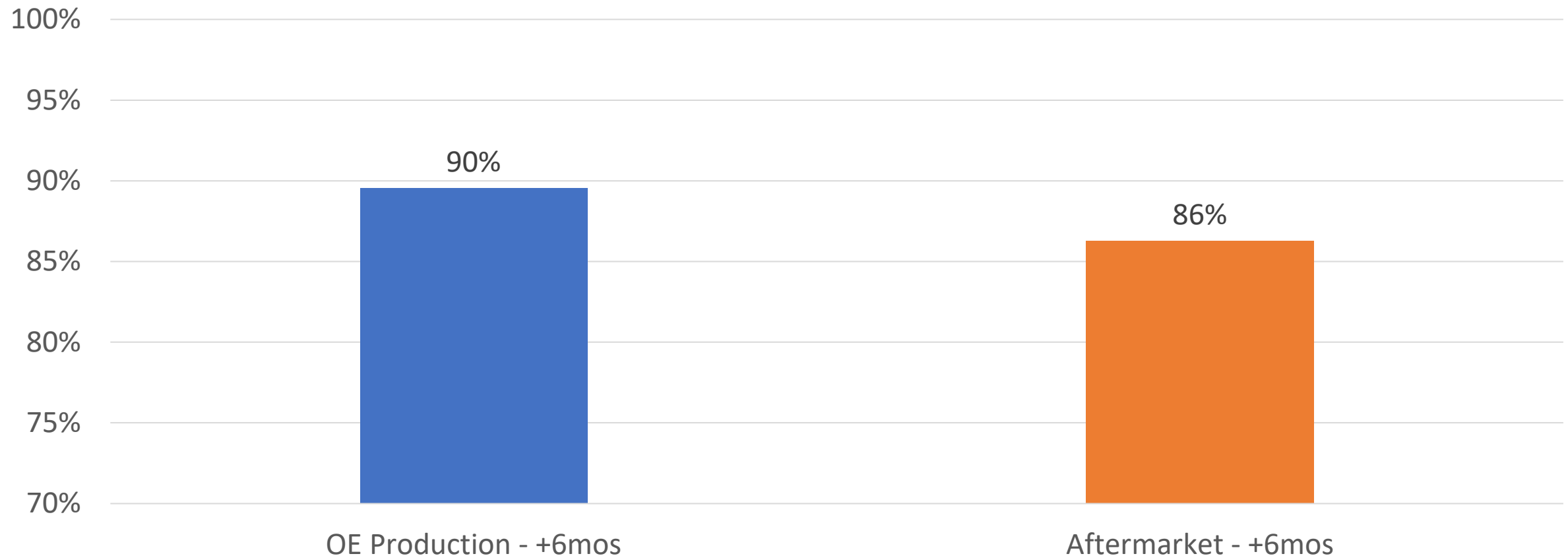
Given your supply chain constraints and any additional internal constraints such as staffing and capacity, please rate your own company's ability to fulfill orders over the course of this month:



Average of response midpoints

SUPPLY CHAIN – SUPPLIER OUTLOOK

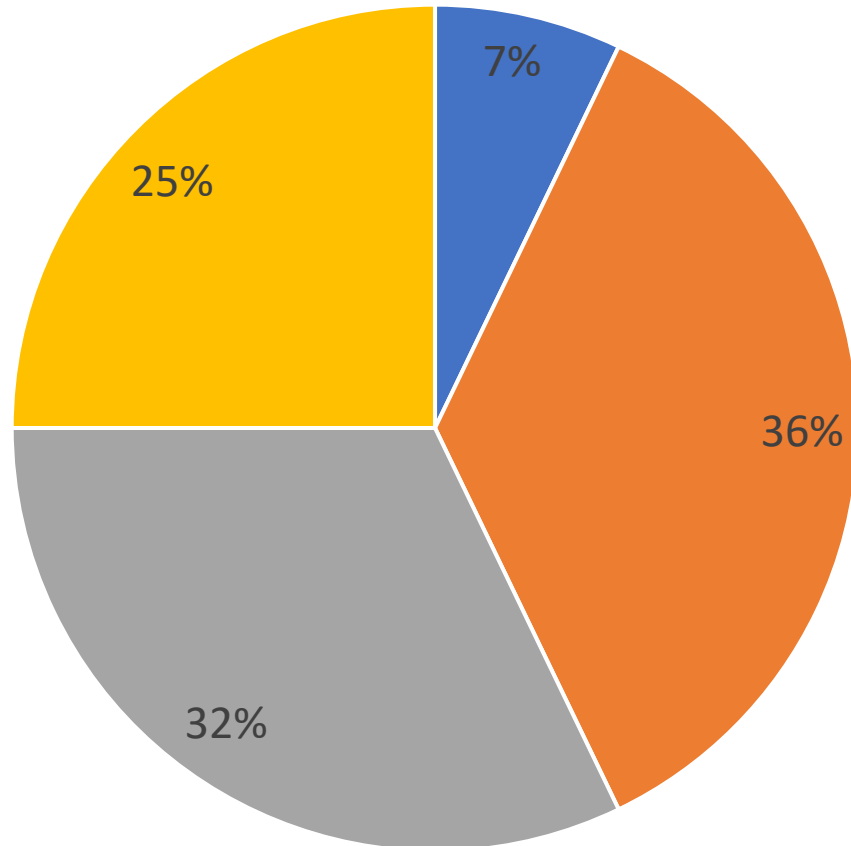
Additionally, given those same constraints, please project your own company's ability to fulfill orders over the course of the next six months:



Average of response midpoints

SUPPLIER CONCERNS

What is currently representing the greatest challenge for your business in 2022? (please select one)



- Freight and logistics
- Inflation in business costs
- Labor availability
- Raw material or component availability

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