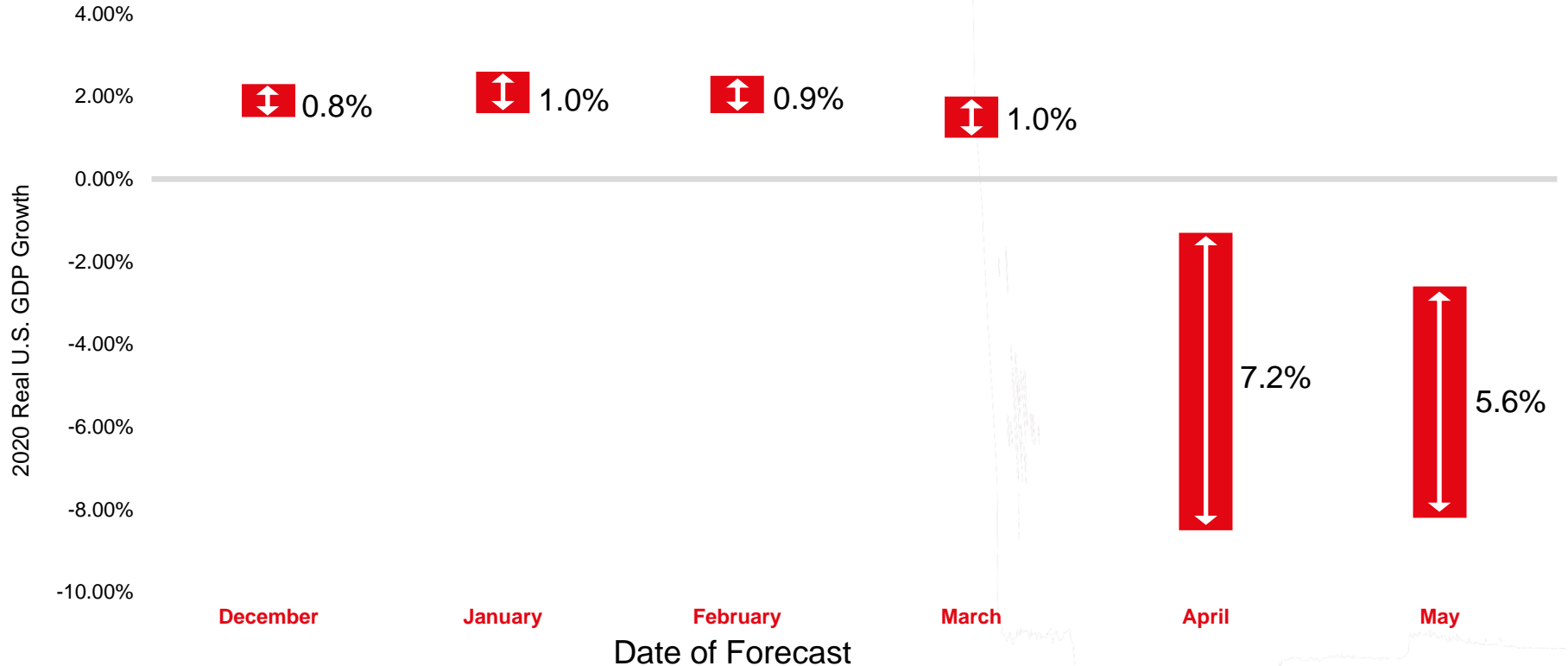


Near term: questionable forecast reliability

Consensus forecast range widened dramatically in April



Acceleration of mega trends



Conversion to e-commerce

- E-commerce share of US retail sales (ex cars and gasoline) was 12.8% in Q4 of 2019 and in January 2020, forecast to reach a 30% share by 2030. It is possible that in the last two months the e-commerce share already exceeded 30%.
- More groceries purchased online in the last few months is expected to become permanent change going forward

More strategic and safety inventory

- Less tolerance for stock-outs (Just In Case inventory)
- More inventory to offset supply chain risk (Safety stock)

Automation and 3D Printing

- 3-D printing helped the response to PPE supply shortages
- Automation and 3D Printing will lower manufacturing costs and allow workers to maintain safe distance

On-shoring, Re-shoring and/or Near-shoring

- Critical industries
- De-risking global supply chains
- Low cost raw materials, automation, lower tax rates make the US an increasingly competitive location for manufacturing
- **Expect US exports to increase to countries that wish to maintain access to US markets**