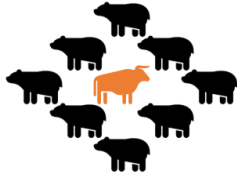

Looking Ahead: Markets Beyond Pandemic & Shutdowns



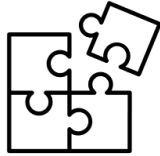
BURNS

"I thought it might help."

Planning for a post-pandemic world



1. **Market opportunities persist**
Finding the Bulls in a Bear market



2. **Market composition is shifting**
Place and type may look quite different

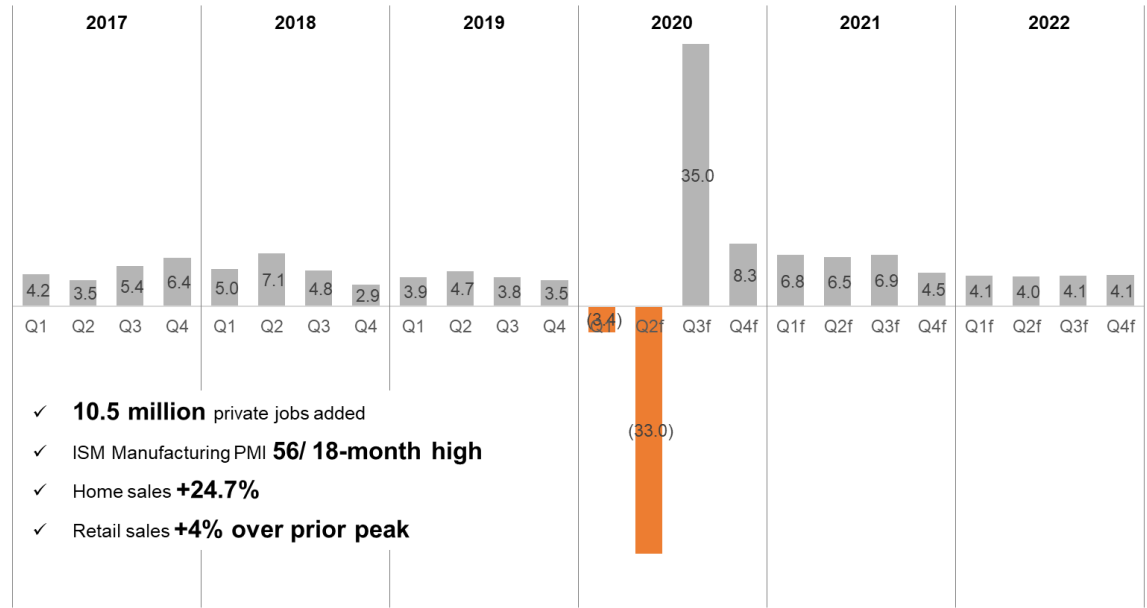


3. **Market alignment is key**
What kind of organization are you?

U.S. Market Outlook | Q1 2021

An unprecedented velocity of change

US GDP
Percentage change, annual rate
Source: CBO



- ✓ **10.5 million** private jobs added
- ✓ ISM Manufacturing PMI **56/ 18-month high**
- ✓ Home sales **+24.7%**
- ✓ Retail sales **+4% over prior peak**

U.S. Market Outlook | Q1 2021

Caveat emptor... Seeking clarity in times of uncertainty

Overrated

Gross Domestic Product (GDP)

- Backward-looking
- Infrequent
- Subject to revision

Current Employment Statistics (CES)

- Counts employees on official payrolls only
- Susceptible to double counting

Consumer Confidence

- Sentimental vs. actual economic activity
- Highly volatile

Durable Goods Orders

- Low correlation to GDP

Underrated

Chicago Fed National Activity Index (CFNAI)

- Broad based (compiles 85 economic indicators)
- Not sentiment based
- Strongly correlated to future GDP

Current Population Survey (CPS)

- Accounts for all people who find work
- Does not double count
- Reflects the emerging gig economy

Retail Sales

- Actual economic activity
- Two-thirds of GDP
- Frequent (monthly)

Purchasing Managers Index (PMI)

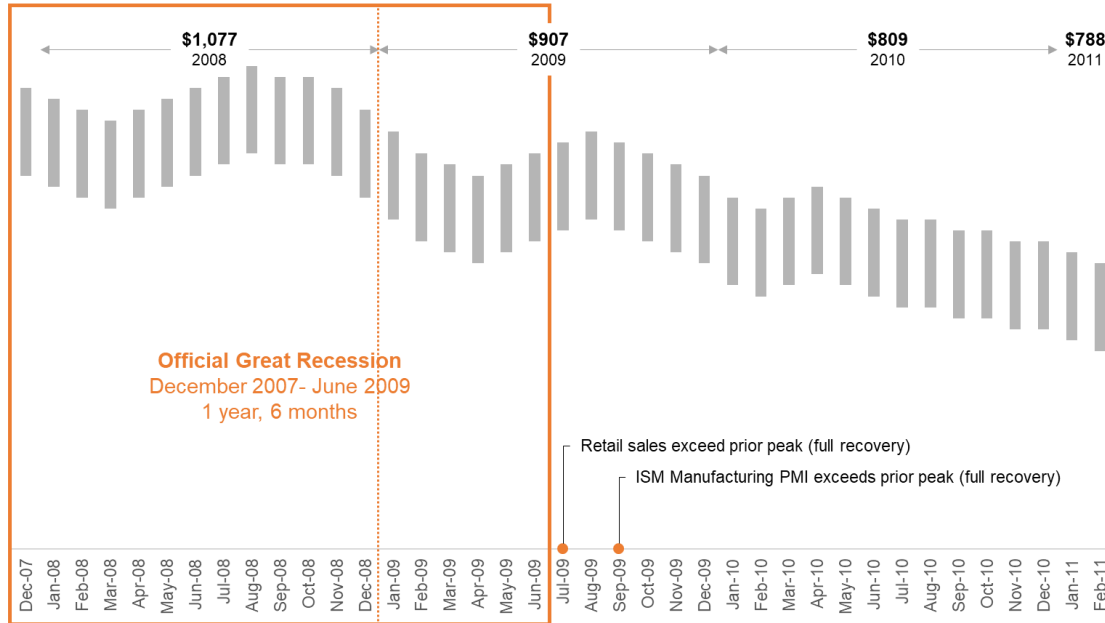
- Good predictor of GDP
- Stable, timely leading indicator

U.S. Market Outlook | Q1 2021

Construction spending put in place for the US

Billions of dollars

Source: FMI

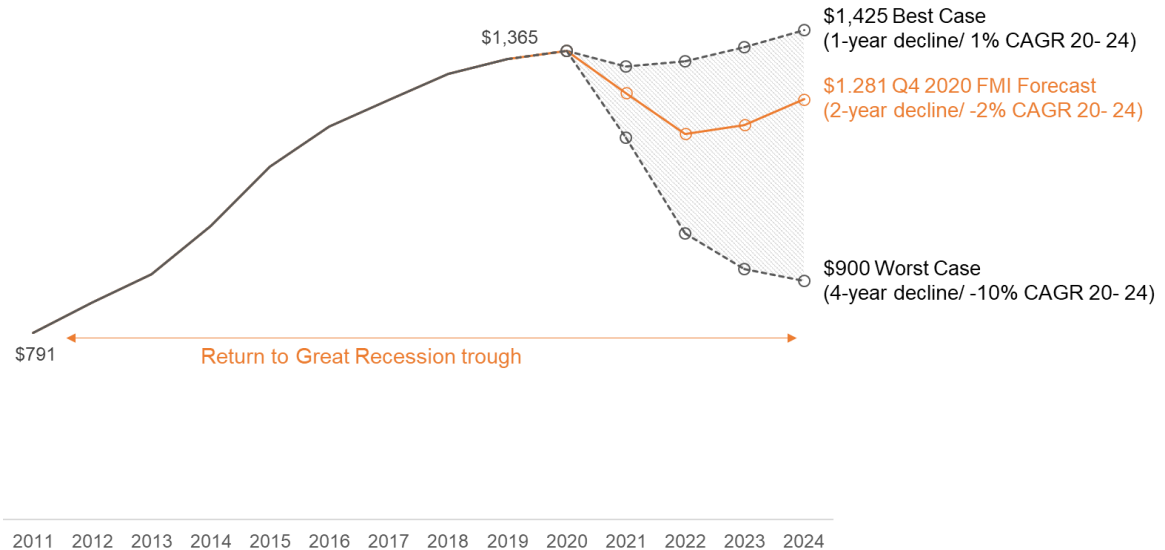


The long tail effect for the AEC industry

U.S. Market Outlook | Q1 2021

Preparing for a V, U, or L shaped recovery

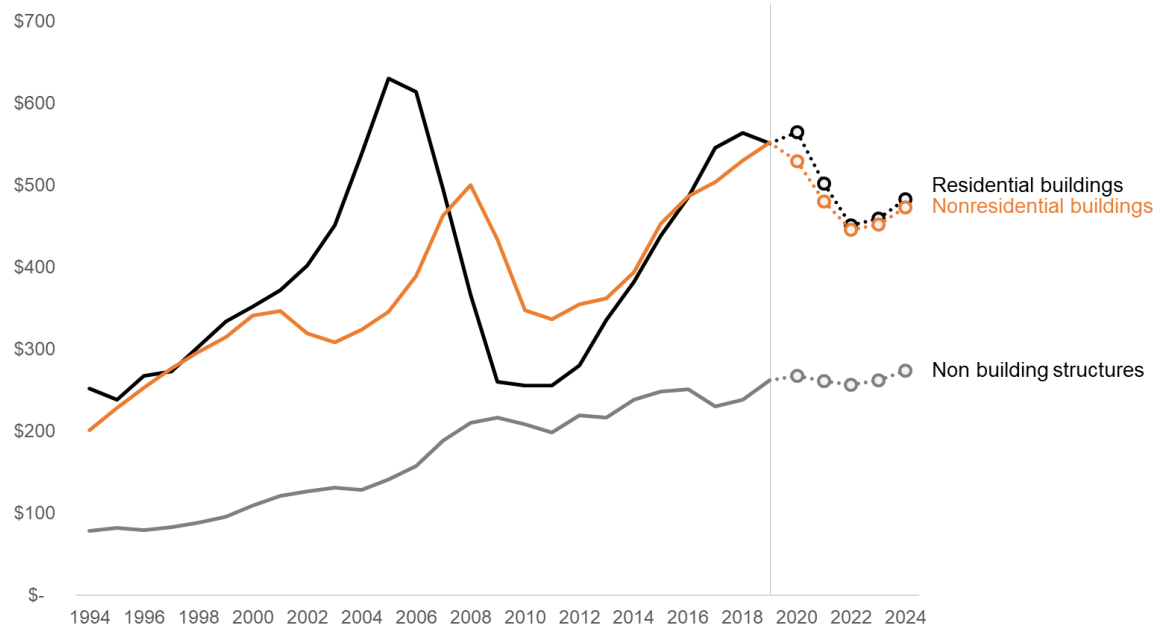
Total construction spending put in place (US)
Billions of current dollars
Source: FMI



U.S. Market Outlook | Q1 2021

Infrastructure holds

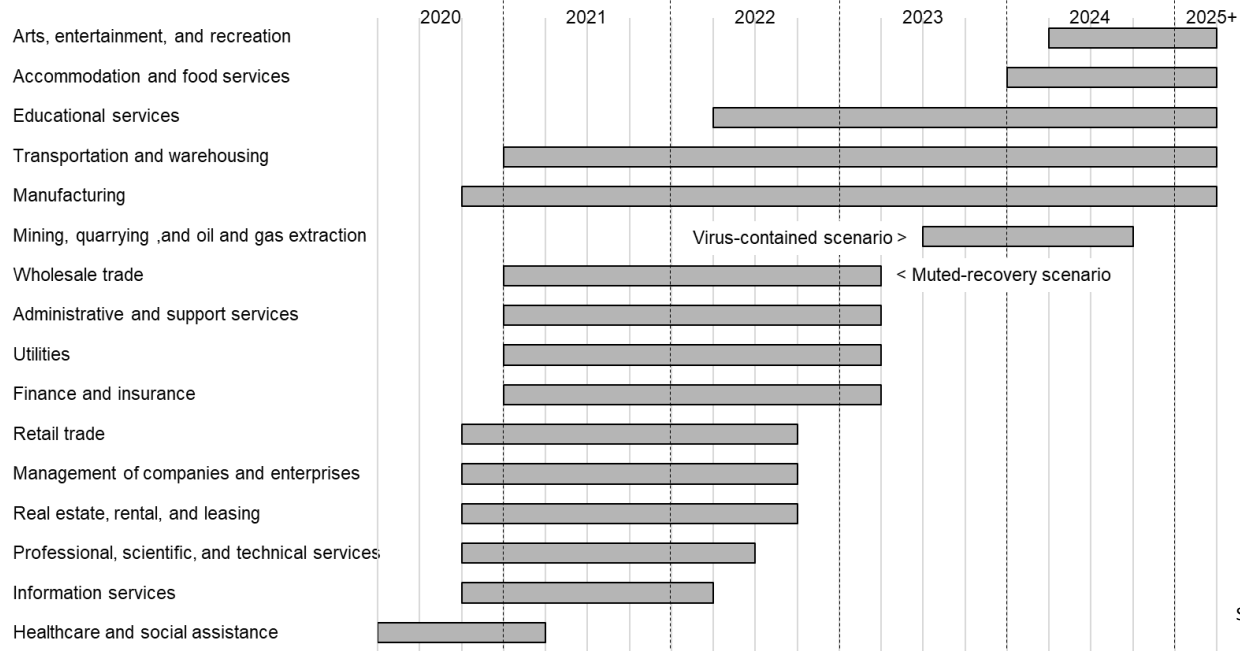
Construction spending put in place (US)
Billions of current dollars
Source: FMI



U.S. Market Outlook | Q1 2021

It could take more than 5 years for the most affected sectors to get back to 2019-level contributions to GDP

Source: Oxford Economics, McKinsey

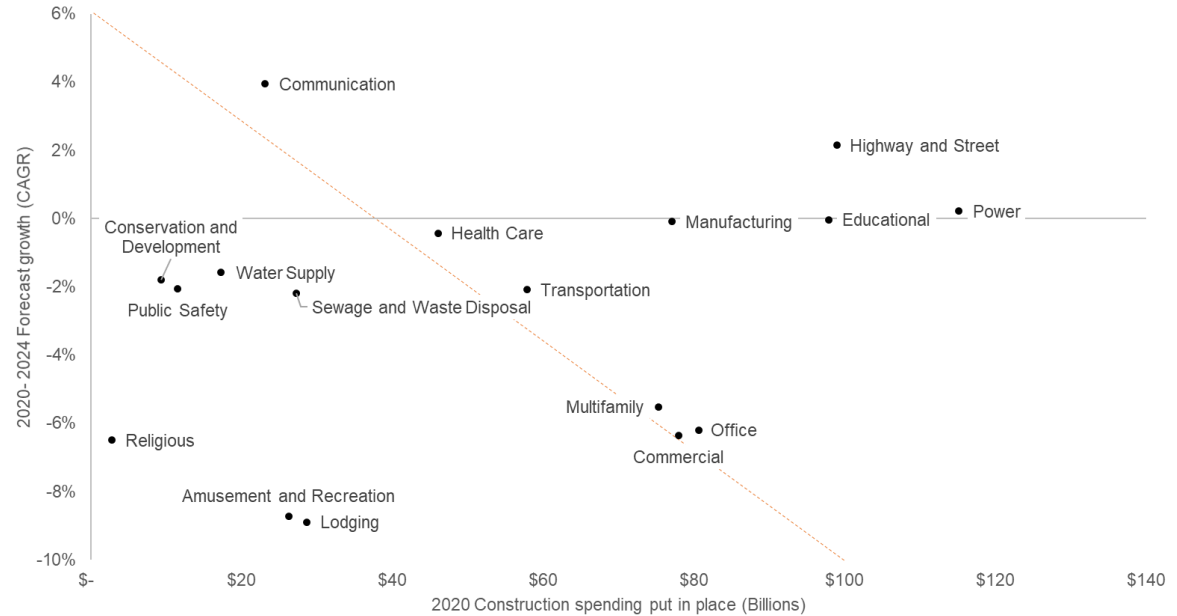


Source: Oxford Economics, McKinsey

U.S. Market Outlook | Q1 2021

Nonresidential building activity suffers for several years

Segment comparisons (US)
Source: FMI



U.S. Market Outlook | Q1 2021

Who are the most likely Bulls and Bears this time around?



Biomedical/Pharma



Distribution



Communications/
Data Centers



Intelligent Transportation Systems



Lodging



Commercial



Amusement & Recreation

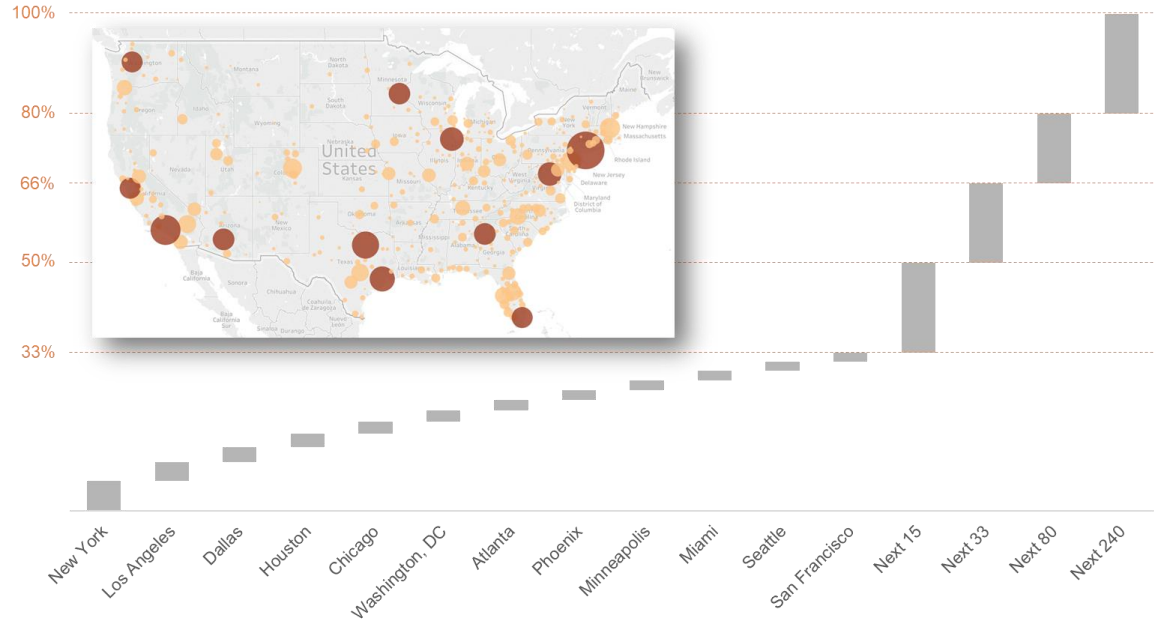


Office

U.S. Market Outlook | Q1 2021

One in three construction dollars are spent in just 12 U.S. metro markets.

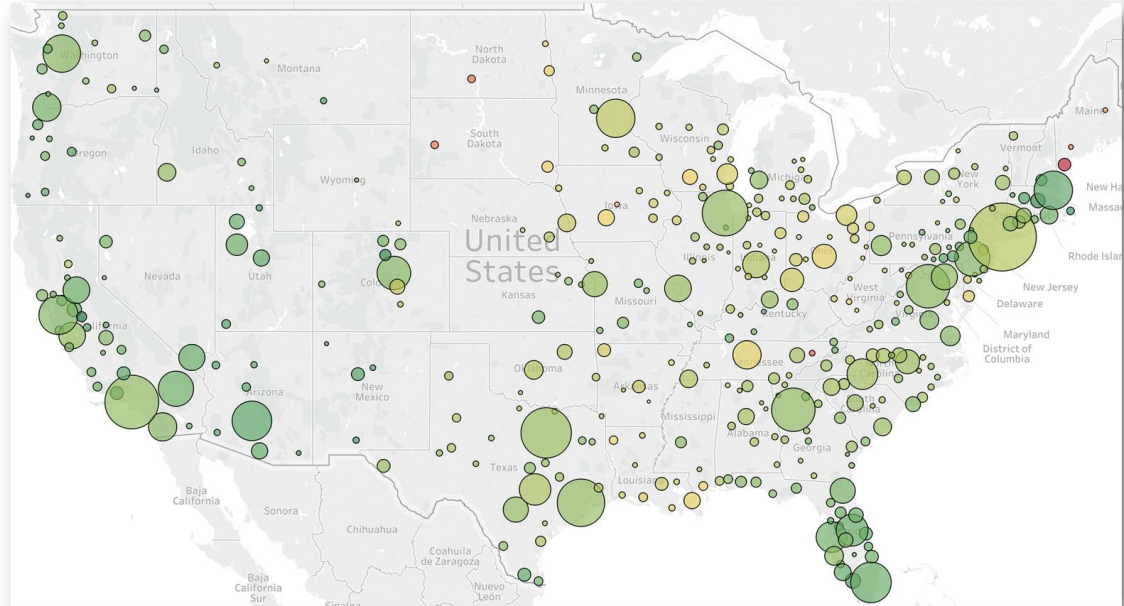
Distribution of construction spending by MSA
Source: FMI



U.S. Market Outlook | Q1 2021

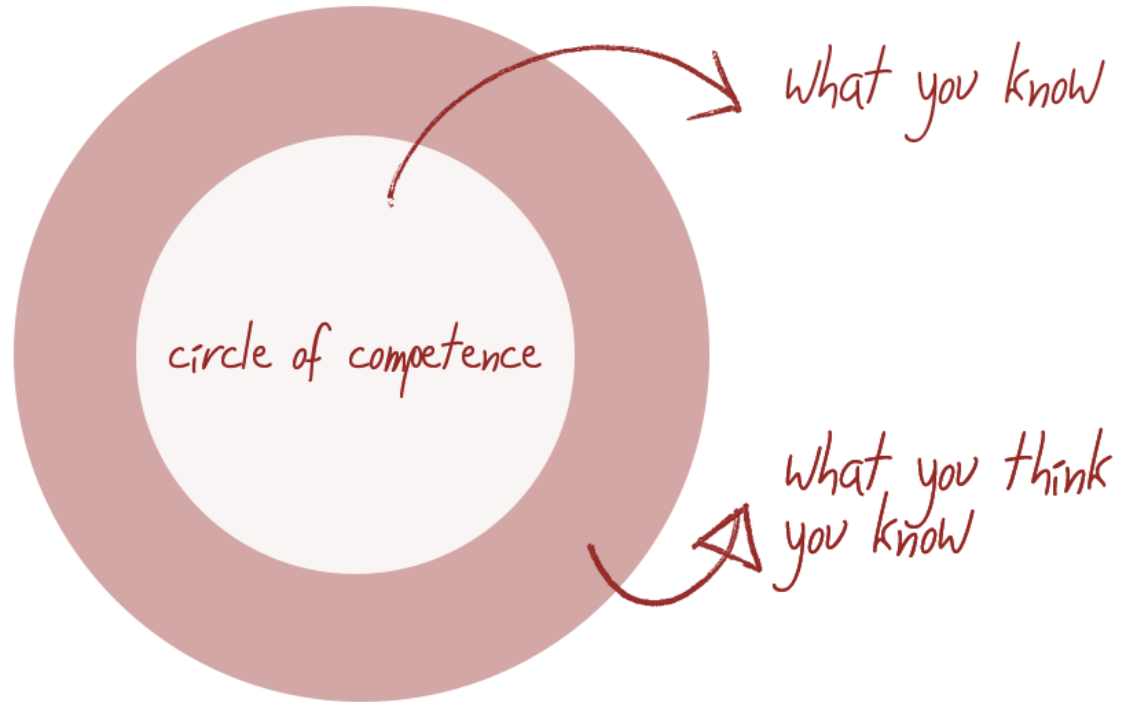
Where will growth concentrate
in the next up cycle?

Comparable construction spending and growth by MSA (2022-2024)
Source: FMI



“I’m no genius. I’m smart in spots—
but I stay around those spots.”

– Tom Watson Sr., Founder of IBM



Avoiding poor—if not dangerous—decision making

Market Potential

- Growth prospects
- Underlying demand drivers, influences and risks
- Composition
- Addressable opportunity



Market Position

- Procurement practices and preferences
- Competitive intensity
- Value proposition receptivity
- State of readiness

Is our industry so different?

It ain't what you don't know that gets you into trouble.

It's what you know for sure that just ain't so.

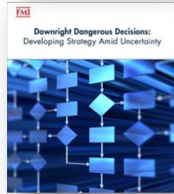
FMI Thought Leadership

FMI provides unique market insights ranging from our annual North America Construction Markets Overview and Quarterly Outlook to thought leadership in all areas of leading, managing, operating, and exiting successful organizations in the built environment.

Leading Through
Business Cycles



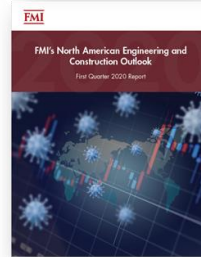
Downright Dangerous
Decisions



Communication
During a Crisis



North American Engineering
and Construction Annual Overview



North American Engineering
and Construction Quarterly Outlook

2020 Building Products
Market Update



Fleet in the C-Suite



Megaprojects –
Changing the Conversation



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Principal and Managing Director, Building Products

Paul is a principal within FMI's Strategy practice and his primary focus is partnering with members of the building products industry by assisting them in developing their strategies relating to growth, value creation and new product launches. Paul's extensive experience working with many of the most well-respected manufacturers and distributors in the industry, combined with his deep relationships in the contractor community, enables him to bring a comprehensive perspective of the market to his clients.

Before focusing his efforts on building product manufacturers, Paul worked closely with some of the nation's largest and most notable contractors to assist them in developing their organizational strategies and go-to-market plans. Paul also has extensive experience advising private equity clients on market dynamics relating to potential investments.

Paul earned his Master of Business Administration with a concentration in information systems management from the University of Tampa. While at the University of Tampa, Paul was honored as a Beta Gamma Sigma honor graduate. Prior to his MBA, Paul received an undergraduate degree from Florida State University in political science with a minor in psychology.