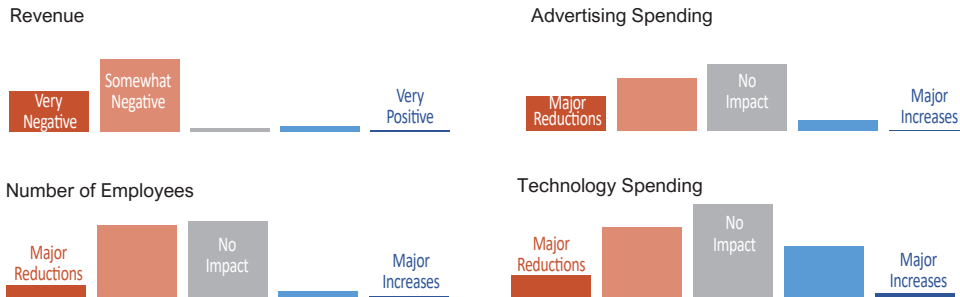


Survey Contact: Scott Hackworth
shackworth@industryinsights.com

IMPACT

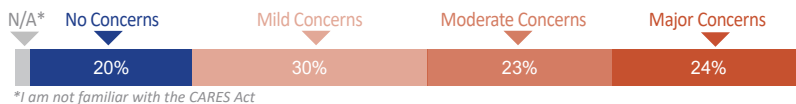
Expected Level of Impact on Organization in 2020



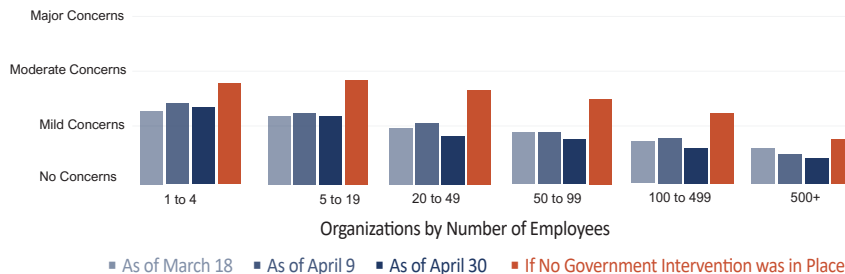
Extent of Long-Term Viability Concerns Due to the Coronavirus (Average)



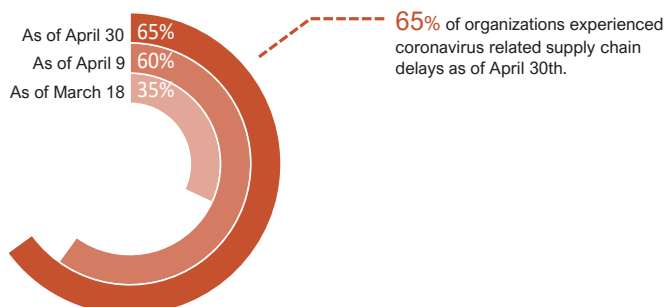
Extent of Long-Term Viability Concerns Due to the Coronavirus if No Government Intervention was in Place



By Size of Organization



Organizations that Experienced Coronavirus Related Delays in Receiving Materials/Products from Suppliers



COVID-19

IMPACT AND IMPLEMENTATION SURVEY EXECUTIVE SUMMARY

Impact:

The coronavirus is reaching the employees. Whereas only 1% of organizations had an employee with COVID-19 as of March 18, the rate has climbed to 13% as of April 30. Despite the financial toll, most organizations' leaders agree that the "stay at home" and social distancing mandates are necessary actions (83%). Those in more rural areas, such as the Mountain States and West South Central States were somewhat less likely to consider the approach necessary.

The financial impact is becoming severe for most organizations. In the past 6 weeks, the portion of companies experiencing a direct financial hit from COVID-19 increased from 52% to 83%. Retailers continue to be the most heavily impacted group so far, though the other sectors are closing the gap. No industry segment is being spared.

As of March 18, the typical organization envisioned a "Somewhat Negative" impact to revenue but planned to hold its employee counts intact and maintain spending levels for advertising and technology. Those plans have changed for most organizations. More than 90% are now envisioning a moderate to major revenue hit, and most are planning to reduce their head count. Over 40% of organizations have already furloughed or terminated employees since March 1. More than 1/2 of companies also plan to reduce some of their advertising spending, though IT spending is still expected to stay consistent.

The data show that the CARES Act is providing a needed lifeline for many organizations. Nearly 50% of respondents reported that without the CARES Act, they would be leaning toward a moderate or major level of concern about their long-term viability. However, thanks to the intervention, the level of moderate or major concerns is only 21%, despite far more companies envisioning heavy losses in revenue.

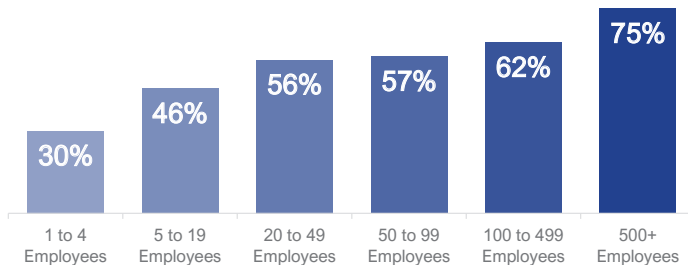
ACTION STEPS

Which of the following is a new action your organization has put in place due to COVID-19?

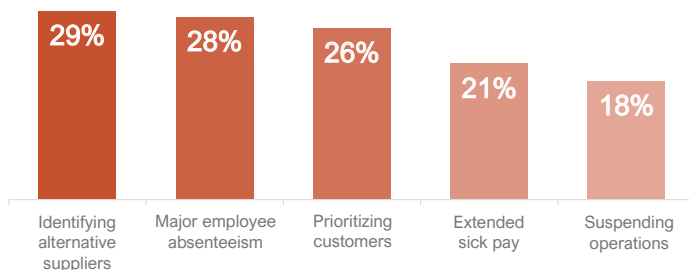
Top 10 Overall

	March 18	April 9	April 30
1 Employee distancing (physical)	67%	85%	85%
2 Hand sanitizer (increased availability)	73%	76%	83%
3 Canceled all large group activities (conferences, events, exhibits, etc.)	71%	84%	78%
4 Eliminating visitors to office	48%	75%	70%
5 Posted reminders about proper hygiene	52%	63%	70%
6 Daily office cleanings/sanitization	62%	64%	65%
7 Outfitting employees with Personal Protective Equipment (PPE)	NA	39%	63%
8 Canceled all in-person meetings.	45%	70%	59%
9 Work from home (partial mandate - some necessary personnel will remain on-site)	41%	56%	58%
10 Flexible work scheduling	44%	52%	52%

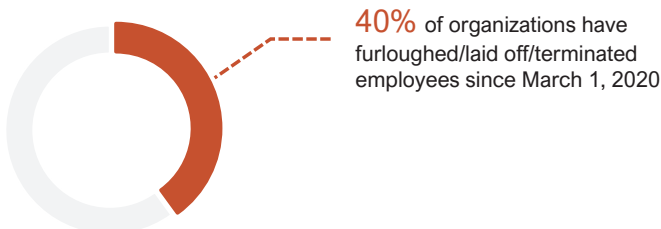
Organizations with Formal Disaster Plans in Place by Staff Size



Scenarios for Which Organizations Have a Formal Plan



Workforce Reductions



COVID-19

IMPACT AND IMPLEMENTATION SURVEY EXECUTIVE SUMMARY

Action Steps:

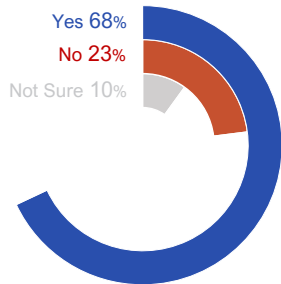
Since March 18, many more organizations are now distancing their employees and have canceled all in-person meetings and group activities. Most companies also now have at least some employees working from home and many are working flexible schedules. The wide availability of hand sanitizer and daily office cleanings remain very common.

The current crisis has not pushed many more companies to develop a disaster recovery plan. Slightly more than half (56%) of all organizations have a formal plan in place for handling common disaster scenarios. The largest companies are the most prepared (75% have a formal disaster plan), while just 30% of the smallest companies have developed a formal plan. Between March 18 and April 30, more companies developed plans to identify alternative suppliers (29% vs 16%).

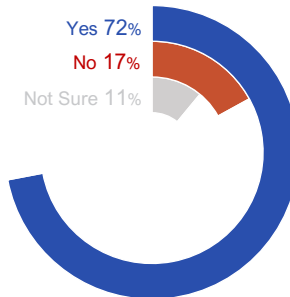
More than 2/3 of organizations applied for a loan through the Paycheck Protection Program of the CARES Act and 72% of respondents that applied for a loan have received funds. Most companies plan to rehire their recently furloughed/ laid off employees once their loans are received.

ACTION STEPS

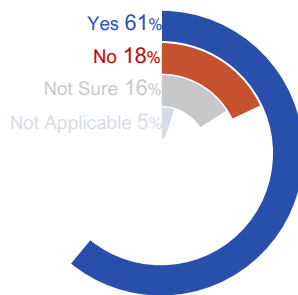
Applied for a Loan through the Paycheck Protection Program



If Applied, Was Loan Processed and Were Funds Received

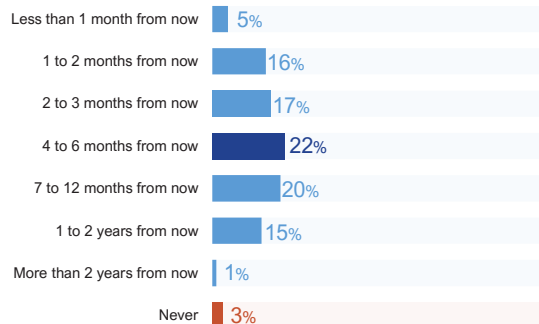


If Funds Received, Have You Hired (or plan to) Hire Back Recently Furloughed/Laid Off Employees



THE FUTURE

Expectations for a Return to Pre-COVID-19 Day-to-Day Operations Status



Expectations of When Organizations will Return to Pre-COVID-19 Operations Status Once "Stay-at-Home" Orders/Directives are Lifted



COVID-19

IMPACT AND IMPLEMENTATION SURVEY EXECUTIVE SUMMARY

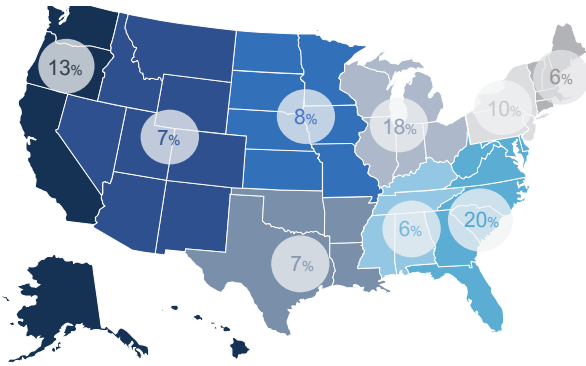
The Future:

The timeline has been pushed for when organizations expect the stay at home ban to be lifted and their daily operations will return to a pre-COVID-19 state. For the March 18 survey, respondents noted a general plan that things should return to normal by June 1. That envisioned date for normalcy is now targeted by most as sometime in late September (this target date is also 2 months later than what was reported on the Series #2 survey, just 3 weeks ago).

Once the stay-at-home orders have been lifted, 55% of respondents expect to have most of their employees back in the office within one month and nearly 70% of participants reported that domestic company travel will resume within 3 months. Though it may take longer for companies to adjust back to large group events and conferences as only 11% expect to resume participation within 1 month, 32% will resume large group activities within 1 to 3 months, 29% will resume in 4 to 6 months, and 27% indicated it will take 7 or more months.

PROFILE

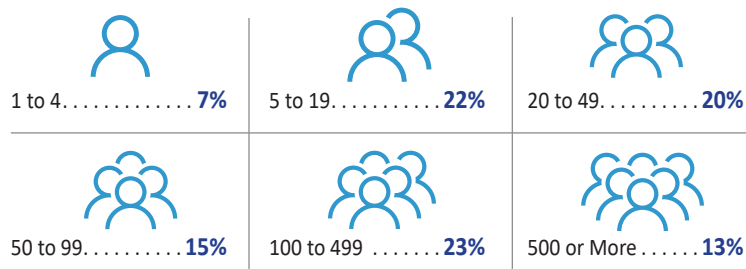
Respondents by Region



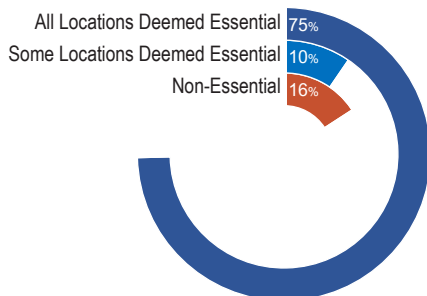
Respondents by Organization Type

	Manufacturer	29%
	Service Provider to Organizations	22%
	Distributor	19%
	Construction Contractor	18%
	Retailer/Dealer	18%
	Service Provider to Individuals	8%
	University/Academic	3%
	Other	7%

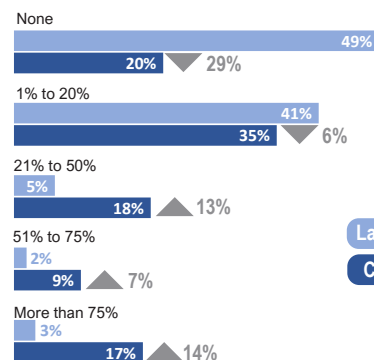
Number of Employees



Respondents by Jurisdiction Classification



Portion of Employees Working Remotely



COVID-19

IMPACT AND IMPLEMENTATION SURVEY EXECUTIVE SUMMARY

About Industry Insights, Inc:

Industry Insights is a research and data analytics firm that has been serving the research needs of trade and professional associations, dealer organizations and other affiliated groups since 1980. The firm specializes in providing high-quality research services that assist such organizations in better fulfilling the informational and educational needs of their members.

As a group of CPAs, Statisticians, and IT professionals with decades of experience in providing survey research solutions for trade and professional associations, Industry Insights excels in defining methods and tools that provide relevant and user-friendly information for each client. Industry Insights serves as an objective third party and ensures the confidentiality of respondents' data. Industry Insights welcomes questions about this survey. We may also be able to put you in touch with client contacts who could more specifically provide details and context regarding their members' strategies.

Survey Contact:

Scott A. Hackworth, CPA
Senior Vice President
Industry Insights, Inc.
6235 Emerald Parkway | Dublin, OH 43016
614.389.2100, ext 105
shackworth@industryinsights.com
www.industryinsights.com

COVID-19

IMPACT AND IMPLEMENTATION SURVEY

EXECUTIVE SUMMARY

MHEDA Member Feedback for Open-End Questions.

Question: Please share any comments about the coronavirus' impact on your operations:

- All dept. have had a 50% reduction except rentals
- Business down 20-25%. Parts from China impacted, but not so for other country's of origin.
- Business has slowed down about 30%. The PPP is extremely helpful.
- Currently experiencing difficulties getting employees to work on-site and maintaining morale
- Employees are concerned about making field calls to many businesses that may have had someone exposed to Covid-19.
- Sales Persons have the most frustration with shelter in place
- Service department is losing money as we chose to not terminate technicians
- Supply Chain disruption and plant closings for time period.
- Temporary slowdown in sales and service
- The impact is mainly on sales of new equipment, shipment of existing orders due to closings of some warehouses temporarily. our sales reps are limited to phone and or tele meetings with customers. No cold calling allowed. This will have an immediate impact on the sales reps and aftermarket reps commissions in the second quarter and part of the third for sure. Incomes will be down.
- There is a learning curve required to operate within the "new normal". We are navigating the challenges and putting in place procedures and methods to continue to serve our customers and more importantly stay in touch with them promoting our manufacturer and the products and services we provide.
- View this a temporary and because of strong economy going into the pandemic, should rebound faster on the other side. If it goes on too long, the negative impact to the economy will affect all companies negatively and make it more difficult to climb out.
- We potentially may be out of business, or incredibly reduced, by November. Sales bookings have reduced by 50%, quoting by 75%, without much sense of when this will return to normalcy.
- We were able to secure funds through the SBA Payroll Protection Program, so any layoffs and salary reductions have been halted. Once the SBA funds are all used (8 weeks) we will have to re-evaluate our business, and layoffs and pay decreases could take effect July 1.
- While we are considered an essential business our sales of capital equipment have fallen 85% from March's levels. I do not sense that the demand for new non-mission critical capital expenditures is going to revive for some period of time. Once our business on the books runs out in June, I believe we are going to be severely challenged.
- Working from home will be the new norm.

Question: Other new action your organization has put in place due to the coronavirus?

- Employee/Visitor Temperature Screenings, Increased Communication to Employees, COVID-19 Response Plan, Delivery Drivers Restricted Access
- Work from home, for all employees is optional but encouraged

Question: Please share any additional comments or information about your company's action steps or plans related to the coronavirus:

- We wait
- If someone tests positive for Covid, we have an action plan in place.
- We are making infrastructure repairs to our buildings that we have not had the time to do in the past. Some were needed, some were not, we need to keep our people busy 40 hours per week.
- I believe the shut down of the economy and the stay at home orders are far too restrictive and the cure that is being forced on us will have far greater negative consequences than coronavirus would, if more moderate measures had been taken.