# WELCOME

HYDMECH

YEARS STRONG



## **HYDMECH Company History**

- Company founder Stan Jasinski who after being released from prisoner of war camp completed his engineering degree in Eastern Germany
- 1966 Stan & family escaped communist eastern Germany and immigrated to Canada with a dream of some day owning his own company
- Worked in various roles at TimberJack in Woodstock and became chief engineer producing forestry equipment
- 1978 incorporated HYDMECH Engineering which was an engineering consulting firm specializing in hydraulic and forestry equipment
- Early products included roll forming equipment for eaves trough bending, power steering systems for heavy equipment and patented the telescopic dump cylinder for the 300 ton GM mining dump trucks





- > 1980 in a small 4000 sq' building was first involvement with band saws when an internal need for mitering came up. Since he could not find one on the market he built one
- > S16 first model produced
- Realizing band saws aspect out growing rest of business Stan decided to concentrate and develop band saw technology and machines
- > 1983 Purchased Plant 2, which is the middle of the three plants in Woodstock approx. 25,000 sq'. At this point building S20, S20P, S20A and prototyping S25A

prototyping S25A





- From 1984 until 1998 designed and produced approximately 20 different models
- > 1991 additional 25,000 sq' built beside original building
- > 1991 purchased 65,000 sq' in Houston TX which became HM Corp building H machines
- > 1994 started building V machines in rented building in Pueblo CO
- > 1995 purchased a 40,000 sq' building in Pueblo becoming HYDMECH Pueblo
- > 1995 purchased 40, 000 sq' building in Woodstock beside the original building, which we call plant 1



- > 1998 Institutional investors were brought in
- > 2001 MEP purchased 10%
- February 2002 Stan passed away
- > 2005 Opened HYDMECH USA in Conway
- > 2008 MEP purchased 100%
- > 2012 relocated HYDMECH USA to current facility



# **HYDMECH TODAY**

- HYDMECH Manufacturing has 110,000 sq. ft. in Woodstock Canada, and has 90,000 sq. ft. in Conway Arkansas.
- MEP has over 80,000 sq. ft. combined Manufacturing In Pergola Italy and China
- Over 200 Employees world wide.
- HYDMECH and MEP Manufacture over 60 different models of band saw machines, 55 different models of cold saws, and a wide range of material handling.
- A current world wide distribution network includes over 200 dealers in North America, Europe, Australia, Russia, Brazil and the Pacific Rim.





HYDMECH machines are designed and built to provide years of unmatched performance. Several machines are backed with an excellent 2 year parts and 1 year labor warranty. We use only the highest quality parts and use standard designs across all components, making it easy for our customers to quickly get the parts they need off the shelf from a local supply house or HYDMECH dealer.





# **1978-2013** Over 40K machines sold.





# 2013 Canadian Economic Update

Government of Canada positions manufacturing as a top priority

- \$1.4 billion in tax relief through accelerated capital cost allowance (over two years)
- \$200 million over five years for Manufacturing R&D
- \$1.8 billion over six years for direct grants to employers for workforce training
- > \$1 billion over five years for aerospace development.



### Canadian MANUFA TURING

# Canadian Manufacturers are Optimistic About Business Growth In 2013.

- 67% of manufacturers surveyed said they were optimistic about business growth over the next 12 to 18 months.
- > 58%, need to invest in new equipment and technology.
- 74 % respondents expect to purchase equipment in the coming year, with budgets ranging from \$50,000 to more than \$5 million.
- 84% of manufacturing purchasing budgets will be the same or greater in 2013 compared to 2012.

# **Canadian Companies are buying equipment!!**





# **2013 US Economic Update**

- The U.S. economy grew at a 2.4% annual rate from January through March.
- Consumer spending roared ahead at a 3.4% annual rate. That's the fastest spending growth in more than two years.
- Employers have added an average of 208,000 jobs a month since November.
- Chrysler Group LLC reported an 11 percent rise in May U.S. auto sales, easily beating analysts' expectations.
- North American Oil & Gas Producers plan nearly \$50 billion in project spending over the next 12 months



# **PRIME**Advantage

### **Prime Advantage Positive About 2013**

- 68% of respondents expect revenues to increase in 2013.
   61% of companies expect capital expenditures to grow or remain constant in 2013, with 39% planning to spend more than 2012 levels
- 43% of companies plan to hire more employees in 2013 and 57% plan to maintain current employment levels.
- >70% of respondents have increased material purchases from US and Canadian suppliers.
- > 38% of respondents indicated that Mexico is the second choice for sourcing.

# Americans are spending money again!!



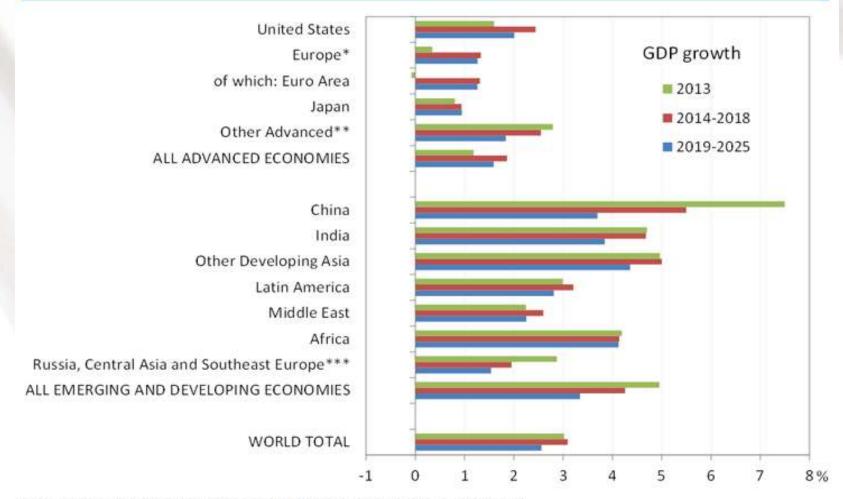


## **Good News For The Global Economic Outlook**

- Global GDP activity remains on a moderate growth path.
- Across the advanced economies, Global Outlook predicts 1.2% GDP growth in 2013
- Global Outlook expects the U.S. and other advanced economies to average a 2.7% annual GDP growth during 2013-2018, closing the gap with China, India and other developing Asian countries.
- Global economic activity picked up in the beginning of 2013. The Global Total Output Index, produced by supply management organizations, rose to 53.1 in May from 51.9.



#### Global Outlook for Growth of Gross Domestic Product, 2013-2025 (May 2013)



Europe includes all 27 current members of the European Union, as well as Iceland, Norway, and Switzerland.

\*\*Other advanced includes Canada, Israel, Korea, Australia, Taiwan, Hong Kong, Singapore, and New Zealand.

\*\*\*Southeast Europe includes Albania, Bosnia & Herzegovina, Croatia, Macedonia, Serbia & Montenegro, and Turkey.

Source: The Conference Board Global Economic Outlook 2013, May 2013 update





a statistical program of AMT

# **Trade Organization Upbeat for 2013**

March's U.S. manufacturing technology orders were up 30.4% from February and up 3.2% when compared to March 2012.

"When making a year-over-year comparison with these figures, it's important to take into account just how strong 2012 was for our industry" said Douglas K. Woods, AMT President. "With vehicle sales and housing starts on the upswing, we can anticipate that the industrial economy, and manufacturing will remain steady for the foreseeable future."



# U.S. manufacturing Orders Up in All regions.....

Northeast Region- Up 31.8%

Southeast Region- Up 20.2%

North Central-East Region- Up 29.4%

North Central-West Region- Up 30.1%

South Central Region- Up 15.0%

West Region- Up 54.2%

(Increase over February 2013)







U.S. Manufacturing Technology Orders



Net New Orders for U.S. Consumption

March 2013

a statistical program of AMT

#### **Total National Orders (Thousands of Dollars)**

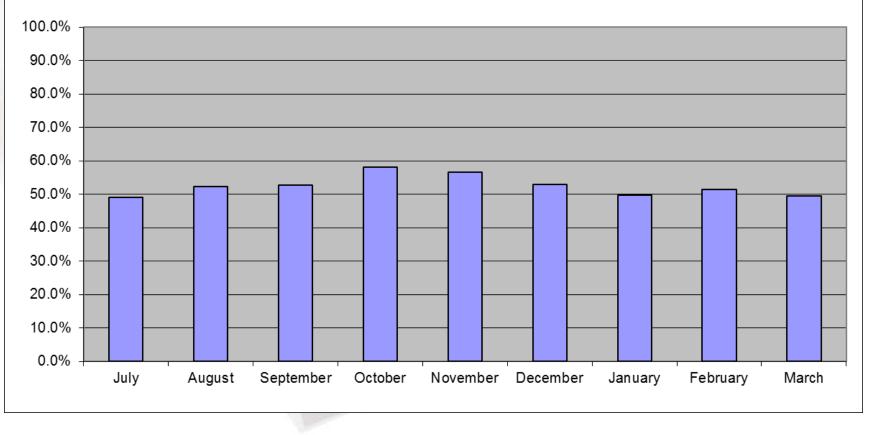
	12112222	TOTAL ORDERS		METAL CUTTING MACHINES		METAL FORMING & FABRICATING MACHINES	
	DATE	Units	Value	Units	Value	Units	Value
2012	MAR	2,490	\$491,961	2,359	\$451,342	131	\$40,619
2012	APR	2,279	\$426,439	2,142	\$383,431	137	\$43,007
2012	MAY	2,202	\$463,256	2,041	\$397,275	161	\$65,982
2012	JUN	2,234	\$452,594	2,047	\$408,103	187	\$44,492
2012	JUL	2,047	\$459,335	1,906	\$383,491	141	\$75,843
2012	AUG	2,238	\$487,781	2,093	\$442,851	145	\$44,930
2012	SEP	3,088	\$676,346	2,882	\$553,279	206	\$123,067
2012	OCT	2,497	\$476,224	2,332	\$430,213	165	\$46,011
2012	NOV	2,378	\$419,739	2,181	\$346,641	197	\$73,098
2012	DEC	2,547	\$501,892			255	\$80,353
2013	JAN	2,071	\$380,761	1,940	\$336,683	131	\$44,077
2013	FEB	2,131	\$389,372	1,996	\$351,769	135	\$37,603
2013	MAR	2,333	\$507,914	2,191	\$468,086	142	\$39,828
	Average	2,349	\$471,817	2,185	\$413,439	164	\$58,378





### **HYDMECH'S Market Share**

Market Share - 3 months moving average



Band Saw Machine manufactures that report sales data to USMTO: HYDMECH, Marvel, HE&M Saw and Cosen.





# What does this mean?

# For HYDMECH:

# 2011- 28 Million Revenue 48% Growth 2012- 32.5 Million Revenue 15.2% Growth 2013- 39.6 Million Target

# For our Dealers:

A strong partnership
 Great Opportunities



# WE'RE IN THIS TOGETHER



# **HYDMECH MARKETING**





### LOGO CHANGES – BRAND IDENTITY



HYDMECH

- Ensure HYDMECH brand remained • recognizable
- Cut on an angle to represent the miter • capabilities of many HYDMECH saws.

#### **Logo Transition**







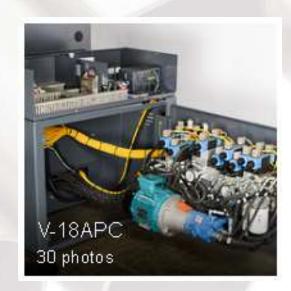


## FLICKR PHOTO GALLERIES

- High resolution photo galleries
- Searchable & shareable
- Save time! Download in a variety of sizes depending on your needs

#### Photo / All sizes

License	<ul> <li>All sights reserved by hydraeth (set)</li> </ul>						
Download	Descripted the Large 1024 size of this photo						
Saw	Square 76 (76.4 76) Square 150 (156.4 76) Thurobrail (176.4 77)	Small 200 (345 + 111) Small 300 (325 + 215)	Medium 500 (000 + 100) Medium 540 (0 +0 + 40) Modium 500 (0 +1 + 10)	Large 1024 (1004 - 100) Large 1600 (1001 - 1003) Large 2048 (2010 - 1003)	Orginal (sea class)		











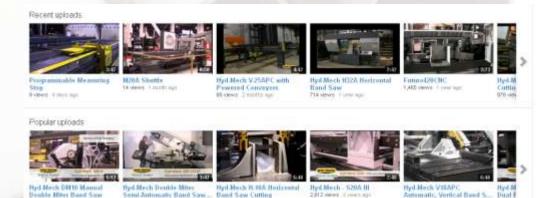
## **PRODUCT VIDEO**



- Video attracts 2-3x as • many monthly visitors, doubles time on site, and has a 157% increase in organic traffic from search engines
- 59% of senior executives • prefer video over text

# **Did you know?**

- 72 Hours of video are uploaded to YouTube every minute!
- Two-thirds of the world's mobile data traffic will be ٠ video by 2016



\$308 vews 1 vews age

Pewered Conveyore

the hydroact groupled

Di vient



mable Measuring

622 Views 7 othert had

5440

S views

by feeling typephi



4,339 views Torres (Q)

by mydriectorinaltin

14 viewe





Band Saw

Pl & viewers

by hydrast grouts





Futurn420C00 my hymnechigroxidat 1.485 views

2,005 views. "I LARGE IND-





# **NEW HYDMECH WEB SITE**

- New HYDMECH web site
- Simple, functional design
- Now Searchable

rearrighted

**Responsive** – Designed for desktops, tablets, and mobile Call in an any sales. I make shape much ton

1 1 1 2

Looking for Pricing? Get Answers

Todayl Find sut why HYDMECH saws provide the best cast per cut

in the industry.

fiot Statted & Request a Owne Teday!

HYDMEC



What is Band Speed?

You've seen it many times in your sawing manual or perhaps on a guotation when looking for a new band. Read More ---

This is a Standard Post

07

**Unmatched Value** 

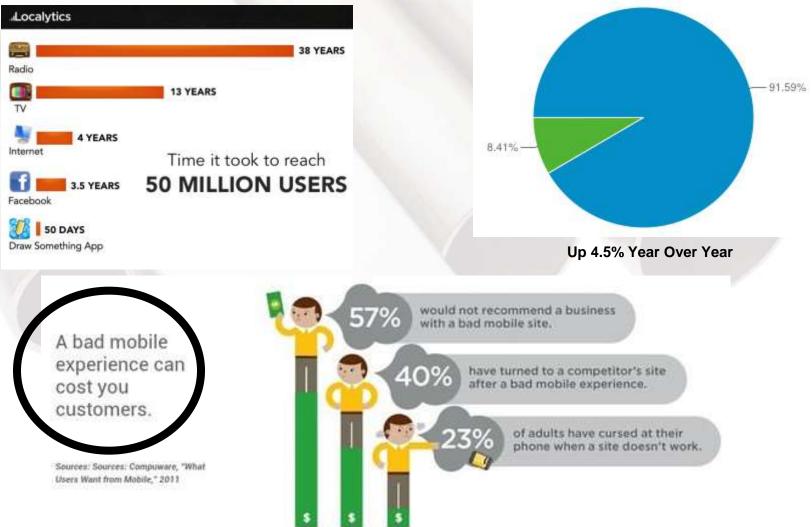
Our affordable, high quality saws are unmatched in providing the best cost-per-cut in the industry.

Simply put: HYDMECH saws are built to last.

HYDMECH 1079 PARKINSON ROAD WOODSTOCK, ONTARIO, CANADA P. 877-276-7297 (SAWS) / E. INFO@HYDMECH.COM

# HYDMECH

### WHY RESPONSIVE?



#### HYDMECH 1079 PARKINSON ROAD WOODSTOCK, ONTARIO, CANADA P. 877-276-7297 (SAWS) / E. INFO@HYDMECH.COM



Hydmech.com 2012 Mobile vs. Desktop

### **PRODUCT PLACEMENT**

PALTHON CHEACLE PEARCE HIMIDLEY



#### HYDMECH SAW in Tony Stark's Work Shop!







### BROCHURES



- Showcases HYDMECH, the products we manufacture, material handling applications as well as machine specifications





### BROCHURES

Standard Features



- Additional vise securely holds material on both
  - sides of the cut Mist lubricaton allows for no coolant
- scale and is equipped with slops at 60° Heavy-duty gear box and 5 HP AC Inverter drive controlled motor. The drive motor is manied to the Digital angle display digitally displays mess & dry chips control and those the second s angle to be cut Tall square vise inserts provide.
  - an additional work holding surface when making straight Variable vise pressure help
  - prevent thin walled material from becoming deformed Work stop sares time with

ntationat

Adjustable canted head. Approach of sawing Nou statute carned read. Approach or saving head can be straight up and down or adjusted to a 3 degree cant. Great when cutting beams and Full stroke by drautic material vise a

Linear rails and be arings support and guide the sawing head during the cutting process.

- adjusts to material size to be cut
- Cutting depth can be set using a built in linear encoder Lasertlight projects a crisp
- ne of laser light along the blade line. This feature can be used for fast length Powered blade brush driven off the blade drive neasurements or as a cut marker
- wheel keeps the blade guilets clean maximizing blade performance and blade life Mechanically adjusted blade tensioning
- "On-demand" hydraulics quiatly operate only when required providing energy costs vings Door interlocks, blade breakage and blade
- motion detector "T" Slots clamping possible
- Horos cramping proserve
   Halo gen openator work light lituminates band and discharge table area for improved safety
- Visit WWW. HYDMECH.COM or Call 1-877-276-SAWS

- Single PDF brochure for each model
- Imperial & metric specifications
- Available on hydmech.com

	Rectanuel			
Blade Dimensio	Rectangular (h.x.w)	20 3/4* x 18*		
Blade Drive		11/4" x 16'3"	559 mm x 457 mm	
Blade Speed Coolant Tank Capacity Machine Weight		5 HP	32 mm x 4953 mm	
		65-385 sfm	3.5 KW	
		12 US gal	20-117 m/min	
Dimensions		2700 lbs	45 liters	
	Width		1225 kg	
	Length Height	36° 941/2° 96°	914 mm 2400 mm 2438 mm	

5 HP blade drive

Reservoir catches coolant and directs it to coolant tank

HYDMECH

Watch a Video of the VW-18 by Clicking Here!



Swing arm control panel

HYDMECH



Visit WWW.HYDMECH.COM or Call 1-877-276-SAWS

#### **Direct link** to product video

#### Direct link to hydmech.com

#### HYDMECH

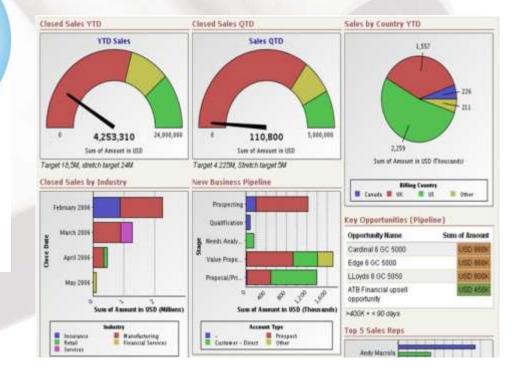


### SALESFORCE.COM

# salesforce

Faster quote registration process

- Better tracking of lost sales
- Improved regional lead management & support
- Improved manufacturing planning





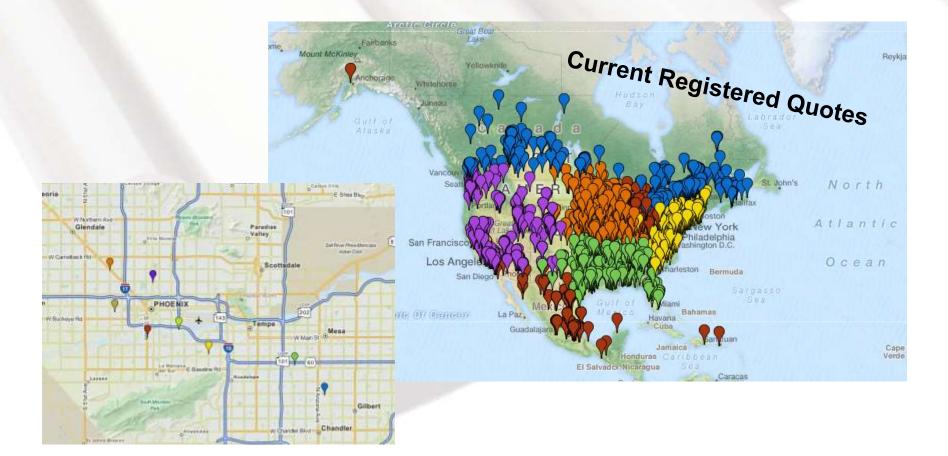


# FAST TRADE SALESFORCE.COM SHOW FOLLOW UP IMPROVED TRACK LOST SALES FORECASTING WHY? STREAMLINE QUOTE MAPPING OF REGISTRATION DATA



### SALESFORCE.COM

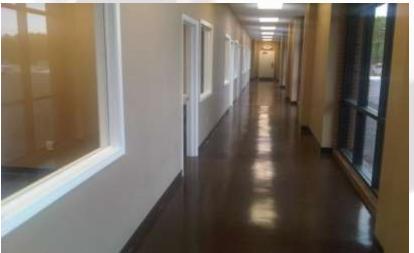
Featuring Geopointe Mapping Software





# 80,000 sq' manufacturing building in Conway, AR











# HYDMECH 35<sup>th</sup> Anniversary Meeting Woodstock, Ontario

# <u>Manufacturing & Operations</u> <u>Review</u>

Mike Miller

COO



# **Manufacturing Review**

• Who is the team? -3 production managers -3 production support manager -10 production support employees -Engineering & IT team





# **Manufacturing Review**

- Who builds HYDMECH saws? Saws are built by a team of skilled workers ...
  - -64 employees in Woodstock
  - -22 employees in Conway
  - –MEP Italy with almost 50 years of experience





# **Manufacturing Review**

• What are the saws? Mix of saws built in 2012 ...

	<u>\$'s</u>	<u>Units</u>
• H line	32%	18%
• S line	26%	46%
• V Line	13%	10%
• M line	12%	6%
• DM line	3%	9%
Cold Saw line	3%	11%
Conveyors	11%	





HYDMECH

HYDMECH

## **Manufacturing Review**

- Capabilities
  - Production processes in 4 factories
  - Cut shop, fab shop, paint & assembly
  - Hydraulic & electrical assembly
  - Outside vendors
    - supplement HYDMECH's capabilities





## **Manufacturing Review**

## Capabilities

Engineering resources covering all the major disciplines

- Design
- Mechanical
- Hydraulics
- Controls
- Electrical



- Over 80 years of total experience



# **Operations Review**

- Innovation over the past 35 years
  - Staying current with technology
    - VFD's,
    - High efficiency motors
    - On-demand hydraulics
    - Servo technology
    - Design tools (Solidworks & ProEngineering)
    - Modular manufacturing
  - Integration of material handling systems
  - Upgraded processing systems ERP, scheduling etc.



## **Operations Review** Innovation ahead

- Accurate linear rails & bearings
- Easier to use controls & standardization
- Replacement of hydraulics with more efficient/accurate ball screw systems
- Enhanced safety features guarding, inter-locks & software



## **Operations Review**

- Innovation ahead
  - Cross training of assemblers currently 75% cross trained on 2 models goal 100% cross trained on 3-4 models
     Supplier accreditation
  - Forecasting tools using quote registration
  - Revised Product Development program





### • Thank you

- Buying HYDMECH
- Supporting HYDMECH
- You are our customer
  - You need to make money
  - You need to have repeat end user sales
- We hear you ...

HYDMECH needs to do better



## What are we doing to help ...

### • Lead-times

- Forecasting tools
- Dedicated scheduling
- Monthly build plan updates
- Cross training assemblers
- Sub assembled components for large saws



# What are we doing to help ...

- Deliveries & Communication
  - New & enhanced SAP capabilities
  - Dealer notification on Tuesday with delivery status for Friday shipment (mid June)
  - Additional communication during the week as necessary (delays, early, freight arrangements)
  - Communication directly from manufacturing facility and mostly via email
  - New telephone system





# What are we doing to help ...

## Quality

- Revised Product Development Program
- 100% inspection of control panels
- In-progress inspection ... in addition to our 100% end-of-line inspection
- Automatic saws will be cycled for a minimum of 500 cycles
- Supplier certification program
- Additional technical resources



# HYDMECH 35<sup>th</sup> Anniversary Meeting

Thank you for the opportunity to present HYDMECH's operations.

We look forward to showing you our capabilities and operations during the plant tour this afternoon.



Current S23A- Comments From our dealers and end-users We love it! We hate it! Here's what we want!

### Why are we making a change?

- Consumer needs have changed, Looking for larger capacity at an affordable price.
- The current product has reached the end of its life cycle. Several of our competitors have introduced copies and /or new and improved updated versions.
- Drive competitive differentiation. The current model is a me too market product. Nothing different than the competition.
- Several issues in Manufacturing and assembly. It is a stand alone product. There are no common components compared to the rest of the S-Series line up
- Several performance and start-up issues. Not up to the quality standards that our customers and dealers want and deserve.

Every business needs to innovate and stay ahead of the competition. No business can continue to offer the same unchanged product, if they did so, profit would not be maximized and sales would start to fall.



### **Current S23A**



- Fabricated Saw Head.
- 5 HP Frequency drive
- Guide arms are supported by dove tail ways.
- 19" band Wheels
- Cam lock adjustment for the blade guides.
- Head height set in the PLC
- 27" Multi-Index bar feed
- Coolant flow and loading issues
- Not a user friendly controller



\*\*

### **NEW S23A**



- Cast Iron Saw Head.
- 8.8 HP Frequency Drive.
  - Guide arms are supported by 2 linear bearings with a spring loaded knob for easy movement.
- ✤ 20 ¼" Band Wheels
- Carbide blade guides are pre set with lead in rollers, NO operator adjustment needed.
- Head height set with upper and lower limit switch and paddle.
- ✤ 29" Multi-Index bar feed
- Increased the coolant pan 3" higher with a side load tank.
- NEW windows CE 5.0 version touch screen



### S23A 90 Deg-16"H X 20"W 45Deg- 16"H X 14"W 60Deg- 16"H X 9.5"W









### **NEW V-20**



- The rigid cast iron head provides durability, stiffness and absorbs vibration.
- Saving energy is beneficial to both the environment and your business. The on demand hydraulics combined with a constant torque electric feed control, this vertical band saw machine uses 2/3 less energy than any other band saw on the market.
- High efficiency and superior accuracy, when compared to a hydraulic cylinder head feed, the efficiency of a ball screw assembly is over 90%. The power requirement for the ball screw arrangement is also less due to reduced friction.
- NEW Windows based CE 5.0 touch screen controller





1. Cutting Capacity: 90°-25" H x 20"W 45°-17 ½" H X 20"W 60°-12" H X 20"W 3. Touch screen icon driven controller 4. 19'3" X 1 <sup>1</sup>/<sub>2</sub>" X .050 blade 5. 10 HP inverter drive, 56-400 SFPM 6. 2HP hydraulic system 7. Two full stroke vises 8. Work light and laser light 9. Power tilt programmable Go-To Function 10. Power guide arm 11. Variable vise pressure 12. Weight: 6160 Lbs. **Options:** 1. Spray mist lubrication

- 2. Hydraulic pop-up rollers and conveyor bridge.
- 3. Overhead bundling
- 4. Power chip conveyor
- 5. Tall vise jaws









Specifications	Hyd-Mech V20M-60	HE&M Saw VT120HM-60	Marvel 2125M-60
Capacity @ 90	20"W X 25"H	18"W X 24"H	20"W X 25"H
Capacity @ 45DEG	20"W X 17.25"H	18"W X 16"H	20"W X 17"H
Capacity @ 45 Deg	20"W X 17.25"H	18"W X 10"/L	20"W X 17"H
60 Deg Miter	20"W X 12"H	18"W X 9"H/R	20"W X 11.25"H
Head Cant	4 DEG	3 Deg	3 Deg
Blade Size	1 1/2"	1 1/4"	1 1/4"
Blade Guides	Lead in roller bearing /Flat Carbide	Flat Carbide	Flat Carbide
Guide Arm	Powered	Powered	Powered
Band Tension	Powered / Electronic	Hydraulic Power	Hydraulic Power
Blade Speed	Frequency Drive	Frequency Drive	Vector Drive
Laser Beam Light	Standard	Option	Option
	50-400 SFPM	65-400 SFPM	50-650 SFM
Blade Speed Indicator	LED	Scale	LED
Band Wheels	22"	18"	18"
Blade Drive	10HP Blade Drive	7.5 Blade Drive	7.5 Blade Drive
Hydraulic		5 HP	5 HP
Head Support	Flat Linear bearings	Ball /Linear bearings	Ball /Linear bearings
Drive System	Gear	Gear	Gear
Drive Location	Lower	Upper	Lower
Head Feed	Ball Screw	Hydraulic Cylinder	Hydraulic Cylinder
Coolant	Flood	Flood	Flood
Blade Breakage Switch	Standard	Standard	Standard
Vises	2-Standard Hydraulic Full Stroking	1- Hydraulic Full Stroking	1- Hydraulic Full Stroking
Variable Vise Pressure	Standard	Standard	Standard
Power Tilt	Standard	Standard	Standard
Power Tilt Go-To Function	Standard	NA	NA
Digital Tilt Indicator	Standard	Option	Standard
Operator Control	Swing Away	Swing Away	Swing Away
Shipping Weight	6,160 Lbs	5,100 Lbs	5,400 Lbs
OPTIONS			
Second Vise	Standard	Option	Option
Powered Chip Conveyor	Option	Option	Option
Blade Deviation Monitor	Option	Option	NA
Mist Lubrication	Option	Option	Option
Overhead Bundling	Option	Option	Option
Powered Lift Up Rollers	Option	Option	Option



### **2012 Dealer Sales and Service Awards**

(Sale Total's consist of Machines, Options, Conveyors, Material Handling Systems and Parts)

## ✓ Platinum- 1-Million and 1 - 6 Dealers

## ✓ Gold- \$500K to \$999K- 10 Dealers

### Silver- \$300K to \$499K- 15 Dealers

## ✓ Bronze- \$200K to \$299K 18 Dealers

