

North American Market Professional Power Tools

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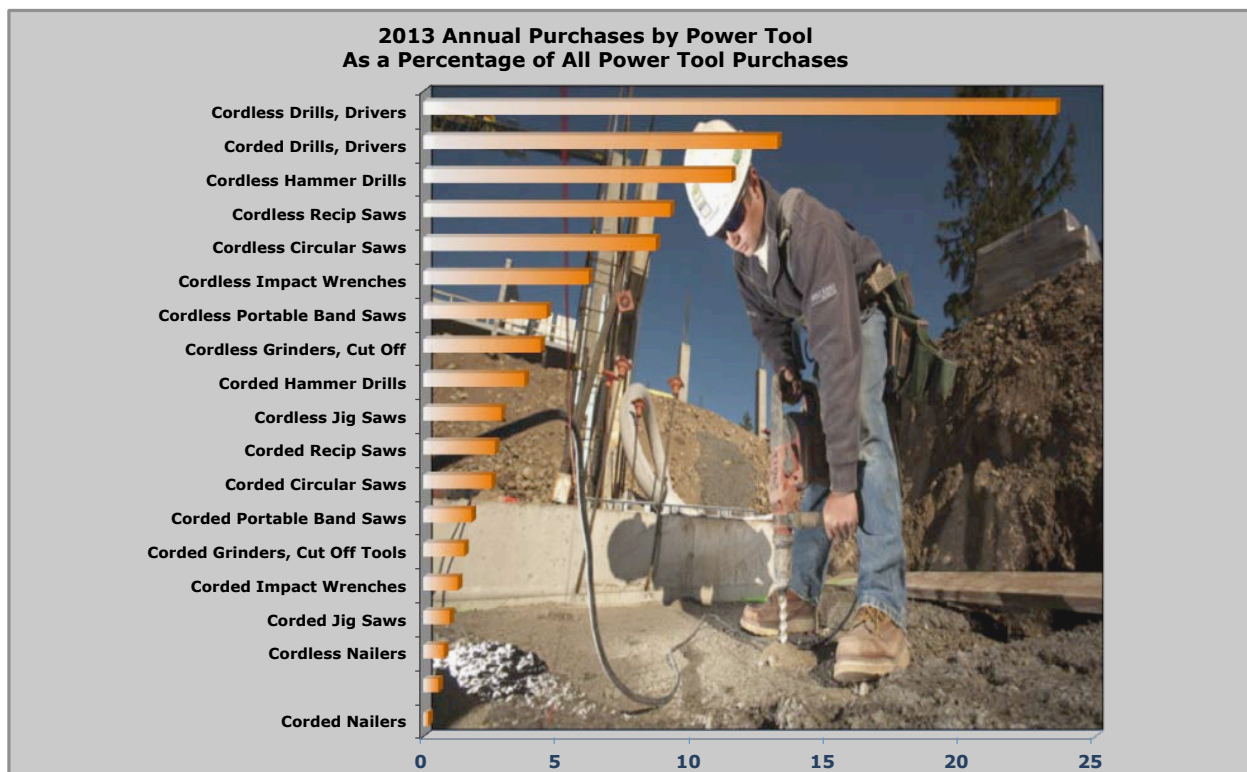
Market Potential Study of The 2016 North American Market



2016 Professional Power Tool – Market Potential Study

Ciprus Limited, LLC is pleased to announce the second Edition of the North American Market for Professional Power Tools. For our clients, this research has been an invaluable tool for strategic planning, identification of new market opportunities, development of sales and marketing campaigns, product development, justification of capital expenditures

Since the 2013 1st Edition was completed, the economy and construction markets continue to improve. To take advantage of these growing opportunities in the industry, power tool manufacturers, distributors and retailers require accurate planning data. This substantial, and statistically accurate survey of contractors, maintenance, repair & overhaul (MRO) end-users will be a critical resource.



The strong suit of the Ciprus approach is the design and execution of large scale market research studies combining both detailed telephone survey discussions and face-to-face interviews to provide the most statistically accurate picture of the power tool industry. A major component of our research approach is to interview all major power tool manufacturers in order to capture their market size estimates by product category. This data details ranking and market share by power tool type.

Our goal is to provide the most comprehensive and up-to-date body of actionable data for the North American power tool industry.

2016 Professional Power Tool – Market Potential Study

In this study effort, we will survey a broad range of contractor firms from a statistically valid sample of over 4,500 establishments and conduct 1,260 telephone interviews to provide detailed projections of market size and growth potential. The study will provide actionable information that cannot be obtained from Point-of-Sale (POS) or other publicly available industry data.

This prospectus presents the study methodology, highlights the unique benefits of the approach offered by **Ciprus** and identifies the advantages of participating in the study effort as a Charter Subscriber.



Key Objectives

Who is buying in each channel?

How often do they buy (incidence)?

How much do they buy (index)?

What is the size in units sold and dollar value of the North American power tool market?

What is the market opportunity for each tool category by contractor size and type?

What is the brand share for each power tool?

What are the distribution channels by contractor size and type?

Which power tool brands have the strongest sales performance by country and U.S. region?



2016 Professional Power Tool – Market Potential Study

Study Methodology

- **Market Size:** The report will document 2016 overall market size by dollar value and volume of sales by product category, distribution channel, by geographic region, and by contractor type & size.
- **Sales by Contractor Type:** Seven distinct contractor types and fifteen subcategories will be evaluated in the research based on their four-digit Standard Industrial Classification (SIC) codes.
- **Primary Categories:** Plumbing & Heating, HVAC, General Contracting-Residential, General Contracting – Commercial/Non-Residential, Electrical, Industrial Maintenance, as well as General Remodeling.
- **Sales by Country and U.S. Region:** The use of a large sample, detailed telephone interview survey allows the resulting data to be broken down in a statistically accurate way for the three countries of the North American market (U.S., Canada and Mexico), as well as for four defined regional markets within the U.S. (Northeast, South, Mid-Central and West).
- **Sales by Distribution Channel:** The power tool market will be quantified by thirteen distinct distribution channels, including:

- Catalogue	- Independent hardware chain
- Contractor/building supply	- Industrial supply (STAFDA)
- Electrical supply	- Internet
- Farm and Fleet	- Lumber yard
- Home Depot	- Mass merchant (e.g. Sears)
- Lowe’s	- Plumbing supply
- HVAC supply	
- **Contractor & End-User Size** - Contractors’ responses will be analyzed based by four size categories: small (1-9 employees); medium (10-19 employees); large (20-49); and very large (50+).
- **Growth Rate** – Past and projected growth trends over a nine-year time span (2010-2019) will be identified by contractor type, distribution channel, and by country and region.



2016 Professional Power Tool – Market Potential Study

Data Presentation and Analysis

Annual contractor purchases will be summarized in matrix format. Average contractor purchase size will be identified by geographic area, distribution channel, contractor type, contractor size, and tools purchased. The resulting data for both corded and cordless tools will provide total sales by product category, brand share, and a projection of market potential.

One of the key benefits from signing on as a Charter Subscriber will be the final selection of power tools to be included.

Corded Tools	Cordless Tools
<p>Hole Making/Fastening Drills, Drivers, Screw Guns Hammer Drills, Rotary Hammers Impact Wrenches Nailers</p> <p>Cutting Reciprocating Saws Circular Saws Jig Saws Portable Band Saws Grinders/Cut-Off Tools</p>	<p>Hole Making/Fastening (Voltage) Drills, Drivers, Screw Guns Hammer Drills, Rotary Hammers Impact Wrenches Nailers</p> <p>Cutting (Voltage) Reciprocating Saws Circular Saws Jig Saws Portable Band Saws Grinders/Cut-Off Tools</p> <p>Combo Kits</p>

Brand Share: For each product and product line the report will identify brand share by incidence and volume for the following:

- Country and U.S. Region
- Channel of Distribution
- Contractor Type
- Contractor Size

2016 Professional Power Tool – Market Potential Study

Market Potential Projection: Using data from the survey combined with establishment data from Dun & Bradstreet, Ciprus will develop a market potential matrix that can be used in strategic and sales planning, business development and resource allocation.



Trends and Issues: Major trends and issues will be documented, including a detailed analysis of which distribution channels are expected to grow and decline, as well as reasons for change in purchasing habits by contractors and end-users. This final section of the report will be a valuable tool to help identify key opportunities for growth within the North American power tool industry.

Sample Size Breakdown

Contractor Type By SIC Code	SIC Code	Total	US Sample			Canada	Mexico
			Small	Medium	Large		
All Contractor Types		1,260	280	280	280	210	210
Electrical	1731	180	40	40	40	30	30
GC's – Residential	1521	180	40	40	40	30	30
GC's - Commercial	1542	180	40	40	40	30	30
HVAC	1711	180	40	40	40	30	30
Industrial Maint.	20-39	180	40	40	40	30	30
General Remodeling	5191	180	40	40	40	30	30
Plumbing/Heating	1721	180	40	40	40	30	30
Contractor type By US Region	SIC Code	All	US Region				
			NE	MC	S	W	
All Regions		840	210	210	210	210	
Electrical	1731	120	30	30	30	30	
GC's – Residential	1521	120	30	30	30	30	
GC's - Commercial	1542	120	30	30	30	30	
HVAC	1711	120	30	30	30	30	
Industrial Maint.	20-39	120	30	30	30	30	
General Remodeling	5191	120	30	30	30	30	
Plumbing/Heating	1721	120	30	30	30	30	

2016 Professional Power Tool – Market Potential Study

Qualifications

Ciprus Limited, LLC is a recognized leader in providing market research, business consulting and in-depth market analysis. Our focus in both proprietary and multi-sponsored research is to move beyond the generic industry review to provide result-oriented recommendations based on “real world” customer preference data. We specialize in research for the power tool, accessories, and building product industry.



Over the past 25+ years, our clients have included leading manufacturers of power tools and accessories, building materials, contract furnishings, interior building and design products, as well as decorative furnishings and raw materials producers. Past studies have been conducted in power tool accessories, power tools, contractor service tools, light-gage steel construction, commercial flooring maintenance, commercial and residential upholstery fabrics, solid surface materials, and interior building products.

Our prior clients have included numerous multi-national corporations and industry leaders:

- Stanley Black & Decker (DeWalt)
- Milwaukee Electric
- Ryobi America
- Robert Bosch Tool Corporation
- 3M
- Loctite Industrial Group
- Hilti
- True Temper
- Lenox (Am. Saw)
- Irwin (Am. Tool)
- Bahco, NA (Snap-On)
- Danaher Tool Group
- Greenlee Textron
- ITW Buildex
- Kennametal
- LS Starrett
- Thorsen Tools
- Saint Gobain Abrasives
- Porter Cable

Recent Applications of Ciprus Market Research

Annual sales presentations to major retailers, including Home Depot, Lowe’s and WW Grainger

Evaluation of product line extensions

Evaluation of promotional & advertising programs

Supply chain planning

Justification for plant expansion & capital expenditures

2016 Professional Power Tool – Market Potential Study

Schedule & Cost

We will begin preliminary research activities late in 2015 and complete the final report in the 3rd quarter of 2016. Our fixed fee for completing this research is \$26,000 for Charter Subscribers. ***Charter subscribers will have the ability to add topics or modify the research approach at no extra cost where it is believed to be beneficial to all parties.***



The total price includes consultation and review of the findings. Due to the size of this research report, it will be available in PDF format only. Excel copies of the tables and charts will also be made available.

Terms: One half of the total fee upon contract signing due by February 28, 2016 and the balance upon receipt of the final report. After February 28th, the price will rise to \$28,000 and will not permit further study design. The post-subscription price will be \$32,000.



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