



2018 AWDA

WE SEE THE POTENTIAL IN PARTS



COMPANY CONFIDENTIAL

Steering and Caliper Fill Rates

- **Steering fill rate challenges**

- Labor market in Reynosa
- Availability of core with aging hydraulic steering applications
- Lack of new unit availability to seed new where cores not available (mainly in gears and racks)

- **Caliper fill rate challenges**

- Labor market in Reynosa
- Capacity ramp up to meet market demand
- Timing for Supply chain ramp up to meet market demand
- Transition to in house coating

Service Level Improvement

Caliper Improvements

- Added 1000+ employees YTD
- Added 60% addl. production capacity. (from 10 production cells to 16)
- Production throughput has increased over 65% (including new unit “seed stock”)
- Acquiring a new DC for finished goods, of 436k Sq Ft, to expand factory space
- New Core building of 114K Sq Ft. to hold addl cores
- New in-house E-coating lines

Steering Improvements

- Added 890+ employees YTD
- Increased production shifts.
- Production throughput increased significantly (including new unit “seed stock”)
- Significant increase in core supply
- Acquiring a new DC for finished goods, of 436k Sq Ft, to expand factory space
- Transitioned remanufactured to new to increased service level where acceptable cores are not available