2019 Distributor Conference Summary and Q&A Answers

Business Update:

- A new President for Seco globally:

Fredrik Vejgarden became Seco new president at the global level in December of 2018. Before joining Seco, Fredrik was formerly the Vice President of Strategy and Business Development within SMS.



- Recent acquisition:

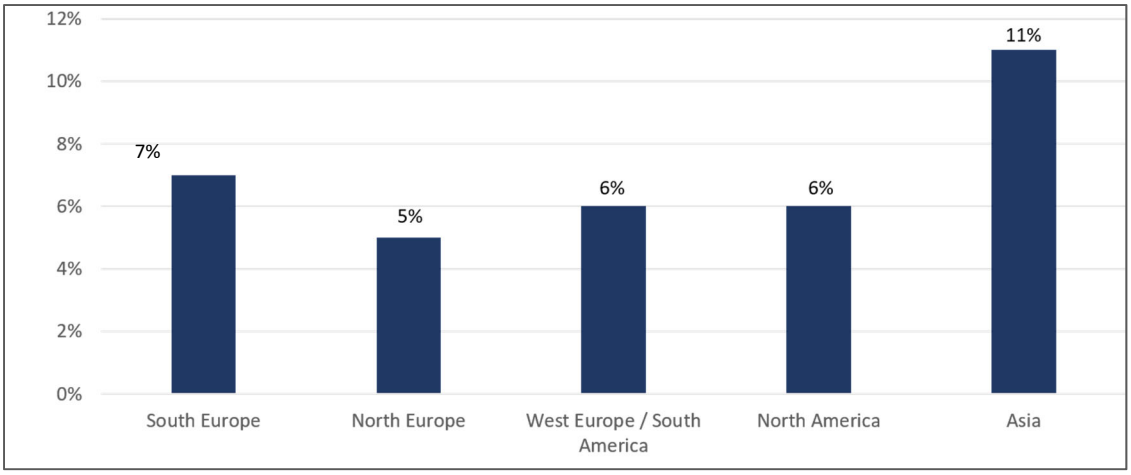
Seco acquired OSK, a Chinese supplier of solid carbide round tools at the end of 2018. This acquisition is aligned with Seco's focus on growing its round tools business. Seco is already well positioned in China today but OSK will bring us even closer to our local customers. OSK will not be serving the North American market but Seco will benefit from its technological expertise and business model of short lead times to improve productivity in other production units.

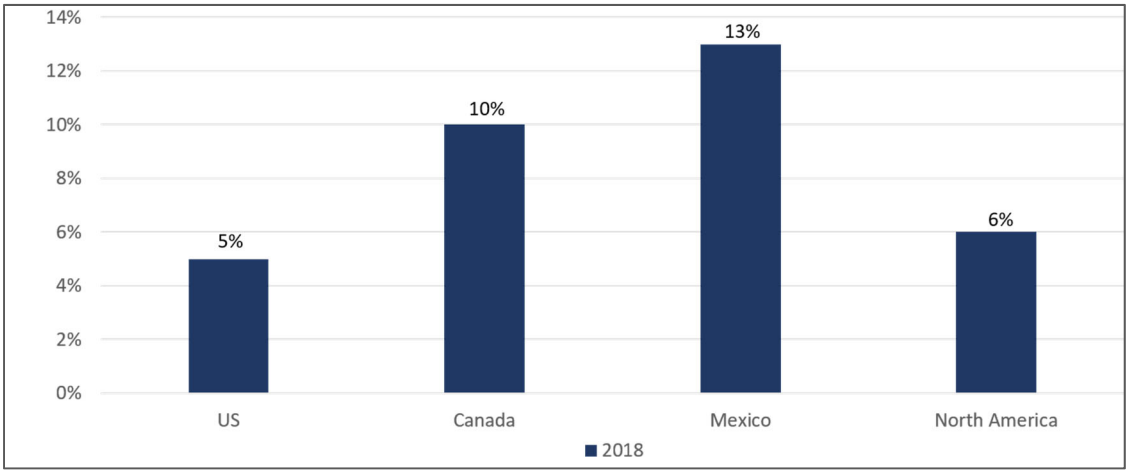
- Round Tools Production

Seco set up new production capabilities for Round Tools (solid end mills), including Powder Metal Injection blanks, in Fagersta, Sweden. We now have 3 production units for rounds tools globally: Fagersta, Reynoldsville (PA) and Lottum (Netherlands). This will help us secure speed in growth and reduce our lead time through blanks capability "in house".

- Global Sales Performance:

Seco grew sales in all regions of the world in 2018, with an average growth of 6% in the North American market, where Mexico showed the highest growth (13%). However, based on the US Cutting Tool Consumption Report, the market was up 12.9% in 2018, which leads us to believe that we lost market share in North America.





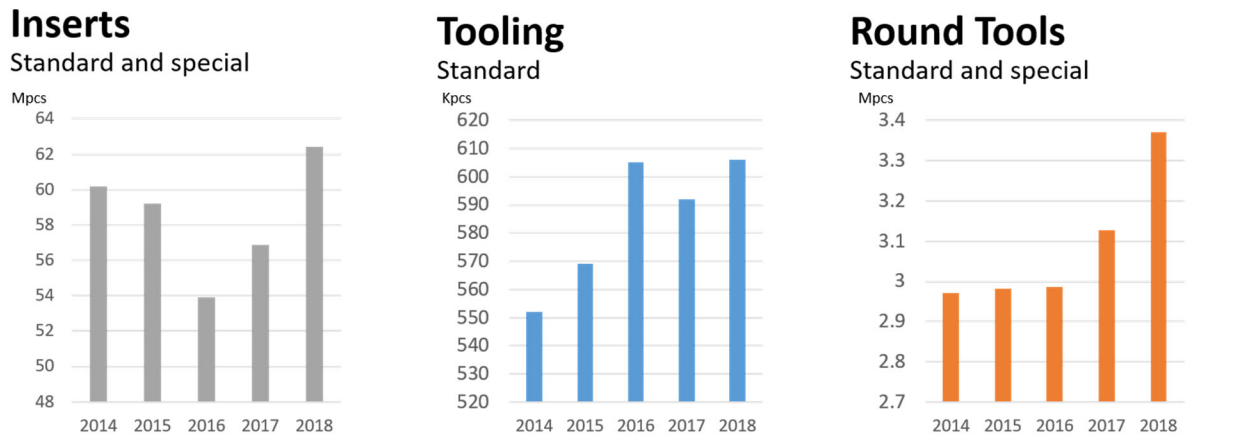
- Market Trends:

GDP projections suggest a bit of a softer growth in 2019 than in 2018 in all 3 North American markets:

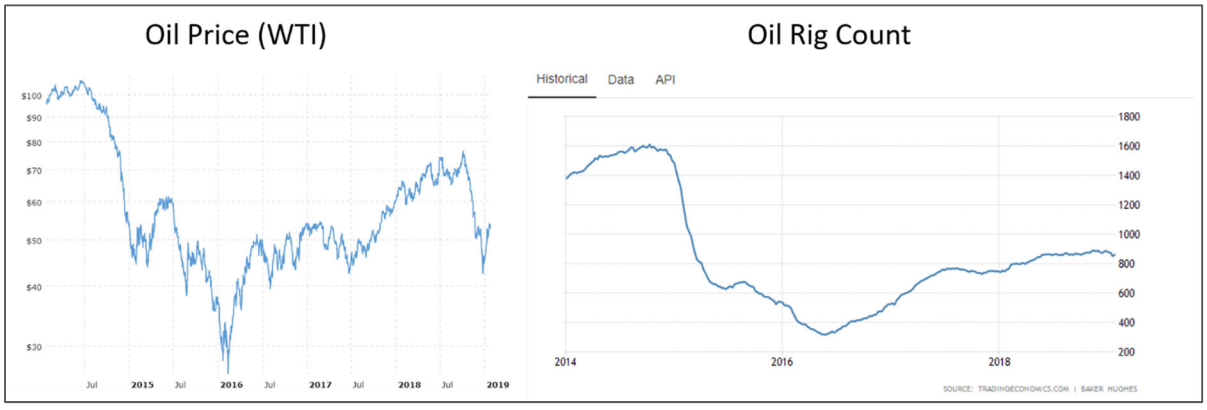
- US +2.9% growth in 2018 +2.5% in 2019
- Canada +2.1% growth in 2018 +1.8% in 2019
- Mexico +2.1% growth in 2018 +1.9% in 2019

Overall, industrial production grew +4% in 2018 in the US and is expected to grow at 3.3% in 2019. The business climate remains generally optimistic for 2019, despite a softer expected growth. In a context of growing demand, the challenge for Seco as for other suppliers is to not only solve production capacity issues but also increase net stock availability and on-time delivery to better support its customers.

Production Development 2014-2018



- Key Segments:
  - Aerospace: industrial production of Aerospace product and parts was down - 2.2% in calendar year 2018 (vs 2017). Forecasts show growth of +3.5% in 2019 and +5% in 2020.
  - Automotive: industrial production of Automobile and Light Duty vehicle was up +3.3% in calendar year 2018 (vs 2017). Forecasts show growth of +7% in 2019 and +8% in 2020.
  - Farm & Agriculture: industrial production of farm machinery & equipment was up +4.6% in calendar year 2018 (vs 2017). Forecasts show growth of +3% in 2019 and +1% in 2020.
  - Construction & Mining Equipment: industrial production of construction machinery was up +14.5% in calendar year 2018 (vs 2017). Forecasts show growth of +8% in 2019 and +4% in 2020.
  - Heavy Duty Trucks: industrial production of heavy duty trucks was up +19.5% in calendar year 2018 (vs 2017). Forecasts show growth of +15% in 2019 and +8% in 2020.
  - Oil & Gas: as supply increases, oil and gas rig activity levels are expected to rise and so are oil prices.



Seco North America 2019 Focus Areas:

- Education:

Education remains a key focus point for Seco, as this is an area where we can bring value to our distributor partners. With many customers struggling to hire and train competent employees, Seco can help get these new hires up to speed quicker through our STEP program.

2019 Distributor Classes		
Date	**Course**	**Location**
April 1 - 4	STEP Into and STEP 1	Troy, MI
May 21 - 22	Solid Tool Training	Reynoldsville, PA
June 4- 6	STEP 2	Troy, MI
July 22 - 25	STEP Into and STEP 1	Troy, MI
Oct. 21 - 24	STEP Into and STEP 1	Troy, MI
Nov. 19 - 21	STEP 2	Troy, MI

2019 Customer Classes		
Date	**Course**	**Location**
Feb. 19 - 20	Solid Tool Training	Troy, MI
May 6 - 10	STEP 1 & 2 Combined	Troy, MI
Sept. 17 - 18	Solid Tool Training	Reynoldsville, PA
Dec. 2 - 6	STEP 1 & 2 Combined	Troy, MI

Next to our set STEP Training Schedule, Seco can customize courses for specific customers and be flexible when it comes to content and location of these trainings.

For our distributor partners who are already certified Pro 3, Seco hosts a CP3 Summit every year, which is a high-level technical training that will help CP3 folks grow their knowledge base and provide additional values to their customers.

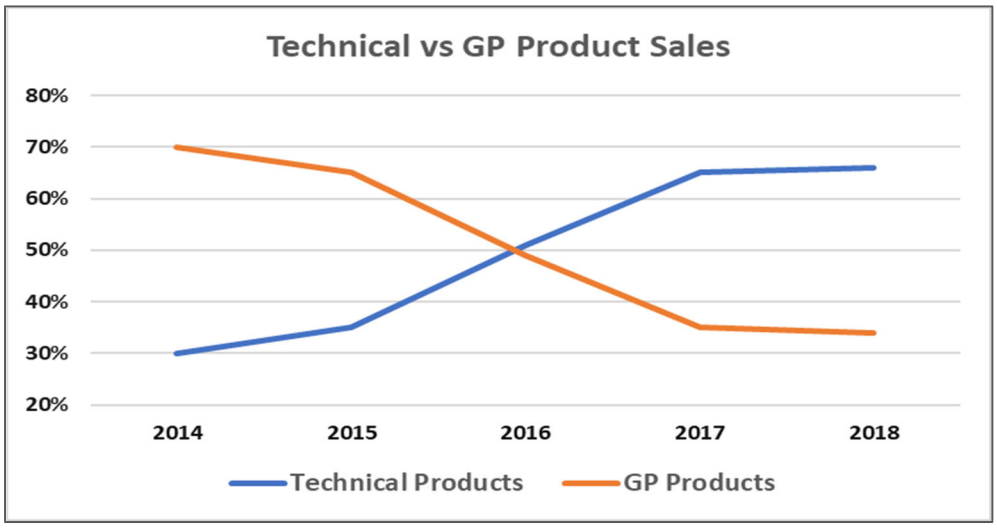
2019 CP3 Summit Dates and Locations:

- August 20th, 2019 in Troy, MI
- August 22nd, 2019 in Portland, OR

Seco also offers a non-technical Value Based Selling Training which allows our distributor partners to learn and utilize new sales techniques. We will hold several sessions in 2019 but please reach out to us with any specific needs you may have.

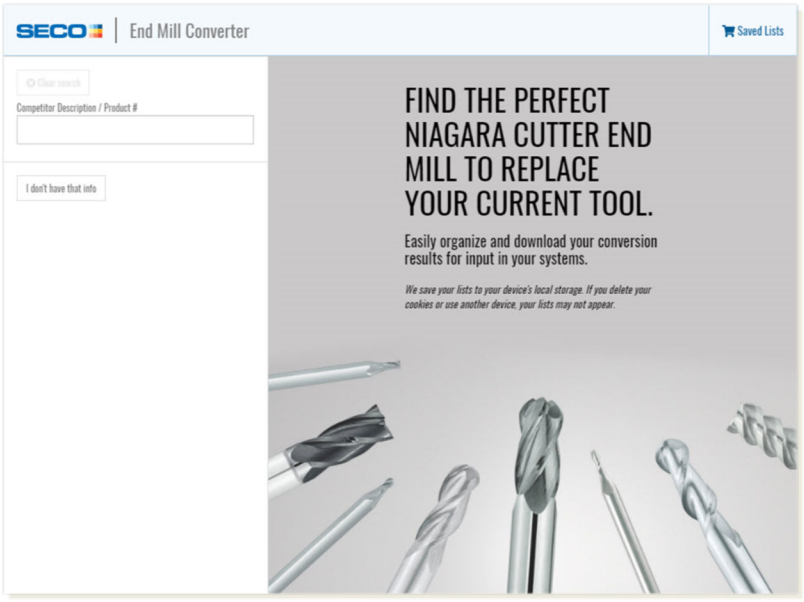
- Solid Tools:

The round tools market has been growing very quickly, putting pressure on the entire supply chain, and Seco has been struggling with its delivery service level. The addition of a 3rd round tools production site in Sweden, similar in scope to both our Reynoldsville and Netherlands plants, will allow us to increase our capacity by 50% once the expansion is complete. With both the Jabro and Niagara product lines, Seco has a competitive advantage and is well positioned to be a strong player in the market for round tools once capacity issues are solved. Our customers' demands are adapting to their market pressures, forcing them to reduce costs and be more productive with their current equipment. Although we see the general-purpose market stabilizing, we believe that high performance is where we can make the greatest impact on our customers bottom line. When it comes to solid tools, Seco has the people and the product, the range and the expertise and is here to help its distributor partners reduce their number of suppliers, POs and decrease their cost of doing business.



- Conversions:

Our DAC members challenged Seco to focus on conversions and help our distributors provide their customers with the latest technology and cost savings they need. Converting to new technology is a great way for Seco and its distributors to show value to the customers. Seco hired a dedicated resource to solely work on distributors conversion opportunities last fall. As a start, the focus is on round tool shelf conversions. We are also building a digital app that distributor salespeople and inside sales teams will be able to utilize to convert products.



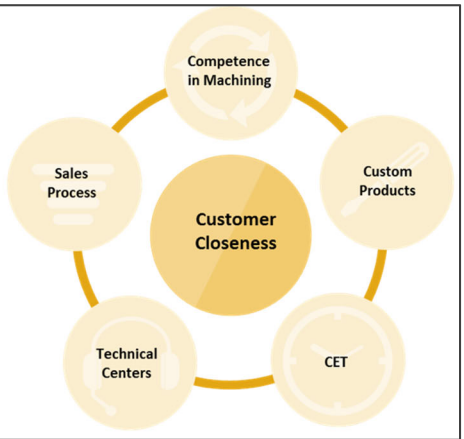
Seco's conversion program allows our distributors to get high quality products in the hands of their customers but also get financial benefits through customers' cost savings, SKUs reduction and higher margins. Round tool conversions are also incentivized through our Solid Tool First Program and our Growth Incentive Program. It can be a true win/win for everyone.

- Engineered Solutions:

Seco Engineered Solutions, CET and Custom Products programs allow customers and distributors to get access to the latest machining technology for their application and are the key to any process improvement.

ENGINEERED SOLUTIONS

- Builds Partnerships
- Leverages our capabilities and expertise to provide solutions to the market
- Provides entrance into new production lines
- Differentiates us from low price competitors
- Drives standard insert volume



The range of solutions we offer is very vast: from recommending a single standard tool or custom product to coordinating development of processes for a full production facility with the involvement of

machine tool builders, fixture companies and automation. Our Engineers will work with you every step of the way. To get started with an opportunity, you can reach out to your local Seco technical specialist or contact our CET/Custom Products team directly at 1-800-2593 or via email at epd@secotools.com

What's New?

- Distributor Programs:

Our Goldstar Distributors will still have access to 4 Incentive Programs in 2019:

- Growth Incentive Program
- Turning Incentive Program (TIP)
- Solid Tool First Incentive Program
- Goldstar Integrated Supply Incentive Program (GSIS)

Our Growth Incentive Program and our Turning Incentive Program remain unchanged, with payouts being the same as they were in 2018: 5% on all purchases over the growth target for our Growth Incentive Program and 15 cents for each turning insert purchased after the turning target is reached for our Turning Incentive Program.

However, we modified our Solid Tool Incentive Program and our GSIS Program. In previous years, our Solid Tool Incentive Program included 2 separate targets: the main target, for all solid tools, and the D42 target for Niagara General Purpose end mills. This year we removed the D42 target so the program now has one single target for all solid tools, with a payout of 2% back to dollar $1 after the target is reached.

When it comes to GSIS, we are moving to a bundle system for all selected accounts, as opposed to measuring them separately. The final growth incentive will be calculated based on the collective performance in all selected accounts. The payout will be 10% of combined purchases in these accounts over the growth target.

2019 test tool budgets are now available for all Goldstar Distributors with a CP3 on staff. The test tool program will work the same as it did in 2018, with test tools shipping free of charge up front, but we are now implementing the automated invoicing process after the 90-day time frame used to let us know if the test was successful or not. If we do not receive any feedback within 90 days, the test order will automatically be invoiced.

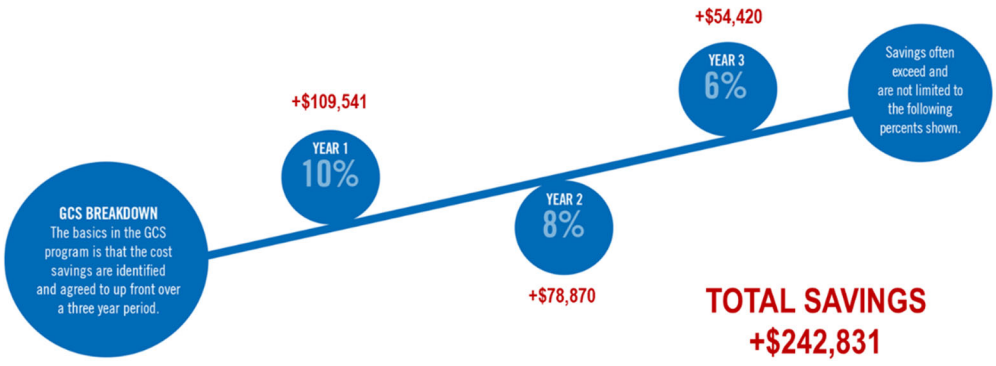
Monthly Point of Sales Report:

The requirements of the monthly Point of Sales (POS) Report changed last year, as Seco is now asking for product level detail in a common excel format used for all SMS companies. We are also using Cost of Goods Sold to be consistent with the group. Now ISA (Industrial Supply Association) is also working on a project to get some common reporting across various commodities, so there is a real need to standardize this type of reporting. At the moment, it is a little more work for everyone to make the change but the goal is for this format to become the industry standard so our distributors do not have to create separate reports for various suppliers. It is also more work for us to handle the larger amount of data collected but it is worth it as it will help us better manage activity in accounts. For example, we can manage cross selling opportunities or be more proactive with product life cycle.

Channel Partner Name	Channel Partner Account Number	End Customer Number	End-user Name	Enduser Street Address	Enduser City	Enduser State	End-user Zip	Material ID	Product code	QTY	COGS	End-user Cost ea	Cost Total	Month	Year	DUNS Number
Joe's Tooling	123456	042	GE	123 Aero Blvd	Houston	TX	29341	123456	CNMG 432 RT 1234	10	$18.49	$ 24.86	$ 184.90	1	2017	19830462182

Guaranteed Cost Savings Program:

With its Guaranteed Cost Savings Program, Seco can deliver rapid sales growth, a reduction in cost per unit (CPU) and a lower tooling spend. Seco will fully partner with our distributors in this program, which means our distributors will be the ones bringing the cost savings guarantee to their customers. The end user will improve cycle time, reduce current tooling cost and scrap but also get an increased support from engineering resources and global experts at Seco. Our engineers will calculate a savings target by establishing a CPU from current production numbers. If we miss a savings target, we will give the customer a tooling voucher for free tooling of the same amount. For this program to be effective, the right accounts must be targeted, typically accounts with a high-volume production and multiple tools on the spindle. We also like to focus on a few segments such as automotive or aerospace. When developing this program at accounts, our distributors' support will be needed with testing, monitoring and tool replenishment in point of use machines. Please contact your local Seco technical specialist to find out more details about this program.



- New Products:

In 2018, Seco's turning range outperformed the market due to the strong performance of the Duratomic range and some tailwind from the oil and gas markets. The milling range is now getting attention this year with our new Double Quattro, the biggest face mill introduction from Seco since the R220.13 cutter back in the 1980s. In the 2nd half of 2019 we will also introduce 2 new grade families: new TM grades for stainless steel and new MP grades for milling steel materials.



Seco currently has over 150 R&D projects in the queue and our goal is to reduce that number below 100 so we can be more responsive to the changes in the marketplace. The key is to focus on the right projects to understand how to meet the market's needs to be the best in class.

Our Challenges Ahead:

- Small accounts coverage (T3):

Seco is now a couple years into its Sales Unit Transformation, that aimed at increasing sales team effectiveness. One of our first initiatives in this transformation was to really focus our efforts around accounts that offered the best opportunities for Seco, based on potential for growth, product fit, relationship and other attributes. We have seen good success in the large and medium accounts that were targeted but on the flip side, activity and sales remained flat in our tier 3 customers. The challenge for us is to keep increasing our teams' productivity with a proven strategy of qualifying and pursuing the most attractive opportunities, while still supporting smaller T3 customers together with our distributors. We are evaluating strategy options to better support this customer tier and looking at adding some support for T3 development back into our sales team strategy. Seco will not ignore opportunities in smaller accounts when they make sense for our mutual business development efforts with our distributors. We will also keep offering training resources to help our distributors sales teams be successful with these customers.

- Differentiation:

In today's market, the reality is that all major players in the industry really talk about the same things and have similar strategies. The difference is in our culture, values and how the local resources live up to the brand promise. Our goal is to keep bringing more value and expertise to our customers and distributors, from all areas of our business. Seco spends a lot of time and effort making sure that our sales teams have the technical training and support they need to fully understand the customers issues and deliver solutions that exceed their expectations. Our product manager group and education team are also getting more visible with local distribution, helping with training and product blitz programs. Our new North American application group is taking an active role on large value projects to support our sales team as well. The application team is also plugged into the global Seco teams so we are providing the best solutions we have implemented around the Seco world, not just relying on our local experience. Engineering services is also an area where Seco is different from its competition, especially with the complete cradle to grave process we utilize in our CET department. And now we are looking into some more advanced consulting services areas. We do have a global group who focused on improving our own internal production units, when it comes to lead time, cost, inventory balancing routines etc…Our ambition is for this group to focus on providing our customers with similar consulting services.



Through Manufacturing Efficiency Evaluation (MEE), we can identify opportunities for improvement (with supply chain, logistics, quality related issues) that either Seco or our distributors could provide to the end users. We are also looking at offering a new advanced tool deterioration analysis service, where we will collect hundreds of used tools and provide a detailed report on failure types and potential areas for improvements. Last but not least, we are experimenting with the tool tracking chip, IDEM. This is an emerging technology with a mini RFID chip that can identify all the attributes of anybody's tool and provide some compatibility analysis. We expect to go into a market test mode later this year and continue to work on the new functionality of this emerging technology.

- Internet Disruption:

It is no secret that the power of Internet and its key players such as Amazon, Alibaba etc… is becoming a challenge in the metalworking space and Seco has been keeping a close eye on it. We have had Niagara end mills on Amazon since we acquired Niagara Cutter in 2010. We have reduced the number of SKUs offered on this platform, which mostly include general-purpose carbide and high-speed cobalt. Short term, we do not consider Amazon or any Internet provider as a direct competition to our traditional distribution channel. Longer term, this new channel will most likely play a larger role for general purpose and ISO standard products. However, Seco is very cautious in its product placement and committed to support its traditional distributors. The productivity cost analysis that we do in conjunction with our distributors is key and we need to keep showing value and cost savings together to our customers. Things like our Guaranteed Cost Savings Program cannot be duplicated by Internet companies. Our focus on high performance products will also insulate us at our end users. We continue to promote and improve the digital assets that can be used by all of our distributors and their customers. If we cannot beat Internet companies together at their game, we can certainly beat them at our game.

Our Distributor Partners:

- 2019 Distributor Advisory Council Members:

Our DAC members, led by our DAC Chairman Scott Stapp from Navasota Industrial Supply, now each have a network of Seco distributors assigned to them. They started reaching out to the distributors in their network prior to the Distributor Conference in preparation of the DAC Sessions and will continue to do so regularly throughout the year. The Council is the voice of all Seco distributors, not just a few representatives, and the goal is to gather everyone's feedback and better communicate across the board. The DAC and Seco have worked together on key projects over the years, including the monthly Summary Business Review, the flat rate shipping policy, the incentive programs, the test tool program etc… and we want to continue to work on areas that matter to all our distributor partners.



- Distributor Partner Recognition Program & Seco Values

We launched our Distributor Partner Recognition Program back in 2017 and ran it for the 3rd consecutive year during the 2019 distributor conference. This program is based on Seco core values but also includes additional awards in alignment with our strategy. Congratulations to all our winners!

- Passion for the Customer: Wayne Tool
- Family Spirit: Drillmex Inc
- Personal Commitment: Powell Tool Supply
- Digital Distributor: Tanner Maquinas y Herramientas
- Conversion Champion: Alro Industrial Supply
- Distributor of the Year: Industrial Too Company

This year, we also had the chance to share what Family Spirit means to us with all our distributor attendees, through a fun team building event. With your help, we donated 32 bikes to children of injured US Veterans. Thank you for living our values with us!

Remaining Unaddressed Questions and Responses

Area:	Products
Q:	What is the best milling grade for duplex ss?
A:	*MM4500 was developed specifically for duplex SS with high toughness and lower operating temperatures. If F40M has been unreliable with uneven wear or chipping, try MM4500*
Q:	What is the best face mill in the industry?
A:	*Tough question to answer because everybody has multiple cutter families to address different materials, components and machine tools. No doubt the Double Quattro Mill has the capability to become as successful and big as the the 220.13 cutter was in the 1980's.*
Q:	What are the plans to offer brazed PCD tools to the market. This is important to offer a complete package to customers. Are there plans to implement a designed PCD indexable face milling solution?
A:	*No current plans to offer a standard range but we do have both global Seco options and locally produced special options to offer complete solutions. We are looking at options for diamond coated products utilizing the geometry capability we can offer along with the internal diamond coating expertise to differentiate Seco from the rest of the PCD options.*
Q:	Is there any update on Seco taps being released?
A:	*We continue to work with the production unit to get appropriate inventory in place for the new taps and better responsiveness to increasing demand for these taps. This is a supplemental range to our focus on indexable and solid milling/drilling products.*
Q:	Will Crownloc Plus eventually phase out Crownloc, or is there another product evolution in the works?
A:	*Crownloc Plus will not phase out Crownloc. We are evaluating both ranges and some new options to determine what is the best direction going forward. The transition to Crownloc Plus did not go as expected and we decided to re-evaluate the entire range. For now, both ranges will remain as is.*
Q:	The Stab 2.0 is a great tool in specific applications, but not justified in GP. Would you bring back the old Stab to be competitive VS YG, Kenna, etc.
A:	*Although we do not have plans to bring back the Gen 1 Stabilizer, we do recognize that Stabilizer 2.0 is a high-performance product that requires precise parameters and stable machining conditions to be successfully applied. We are also witnessing a move in the market place from 4 flute to 5 flute tools in the higher end of the general machining market. In reaction to this change, we are adding 140 tools to the STR540 product line. The STR540 geometry is extremely versatile, can be applied in stable and unstable machining conditions, used in slotting, profiling, roughing and finishing. This will become a go to product for customers that want a single tool for all their machining operations.*
Q:	What are you doing to stop the decline in Niagara GP product? It is important to us too.
A:	*Delivery service and the conversion program are two of the main initiatives we are driving to grow our market share in GP products. We also have a pilot program where we harmonized pricing structure for a few customers, removing the need for contracts. If we are successful in growing the sales of General-Purpose carbide within this pilot group, the plan is to roll similar programs to more of our channel partners in 2020.*

Area:	Sales & Operations
Q:	Any plans to make Niagara more cost competitive in the market? Today the performance is equal to many manufacturers, but the price structure isn't.

A: *We continually monitor the market to remain as price competitive as possible, but we will never be the least expensive product. To do so, we would need to make sacrifices in our raw materials, R&D and product consistency, we would need to reduce the support provided by our highly technical sales team. These are sacrifices we are just not willing to make.*

Q: How does Niagara plan on addressing the pricing strategies being established by companies like YG1?

A: *It's difficult to deliver a price driven product as we strive to deliver best in market technical service & solutions and combine that with class leading product consistency and performance. YG-1 manufactures the majority of their products in Asia (China and South Korea to be specific), they utilize lesser quality and less expensive raw materials. They lack the technical support structure we have in place for North America. At Seco we strive to compete with them directly on service, technical knowledge, solutions, product consistency & performance while remaining as price competitive as possible.*

Q: How many reps will Seco have compared to other carbide companies in various markets ? Is the amount of reps increasing or decreasing?

A: *I don't really know how many reps our competitors have but our field team is stable. We are adding or removing based on business conditions but have a plan overall to increase by about 6 people during the year based on the market performing as expected.*

Q: What is "TC" in regards to account classification?

A: *TC would be competitor accounts where we know there is business, but we do not have good contacts or little business.*

Q: It would really help distribution if you could introduce a prepaid freight program. Why not use this as a competitive advantage?

A: *We do offer a flat rate policy with competitive rates for UPS shipments (see below table). The rates are applied per box, up to 70 lbs a box per UPS regulations. In addition, we do not charge freight on back orders of standard items. You can find out more information about our freight policy in paragraph # 2.3 of our distributor practices.*

US		
SHIP VIA	ALL	GS Plus / Elite
UPS RED	$21.50	$19.50
UPS RED - Dropship	$14.50	$13.50
UPS RED Early AM	$32.00	$30.00
UPS Saver	$20.00	$18.00
UPS Saturday	$36.00	$34.00
UPS Saturday Early AM	$40.00	$38.00
UPS Blue	$14.50	$13.00
UPS Blue Early AM	$22.50	$21.00
UPS Ground	$9.50	$9.50

Q:	Will "test tool" budget ever go to cost price instead of list pricing?
A:	*We will not be able to have test orders deducted from the test budget in net pricing due to a system restriction. As there is no net pricing value for test orders input at order entry (since these orders are shipped free of charge) the only value that the system can capture and deduct from the test budget is the list price value of the items. With that said, we have increased test tool budgets when needed to enable our distributors to run more tests, when our records indicated that the test budget was being utilized as intended and not simply used as a way to receive free tooling.*
Q:	Is there an aggressive rebate conversion program available for traditional distribution for non -integrated accounts?
A:	*Today there is not. However, we are looking at options to make this a reality. The conundrum we are trying to solve is where is the tipping point that will change behavior and create a win/win/win for all.*
Q:	Focus on your customer(distribution) - Wouldn't it be in both of our best interest to do that and make it more profitable for us to sell Seco vs. other options?
A:	*Yes, we agree. The partnerships that work best are where both sides are in total engagement. We, together, share information, hunt opportunities and support each other.*

Area:	Delivery Concerns
Q:	Seco Tech team and customer service are great, why are you focusing on those areas when deliveries are the real problem?
A:	*We are focused on deliveries, it is one of our top initiatives not just in North America but globally. We have hired a new production manager and changed our KPIs to better service you. Those are two major things but there are many others we are doing to improve our deliveries and stock availability. We are seeing small improvements every week. That being said, we still want to focus on customer service and tech team as those along with deliveries will be long term drivers of our success in gaining market share.*
Q:	Will your new system be able to let us know when a quoted delivery date changes? Seems it on us to call seco when the tool is late.
A:	*We do not have exhaustive information on what our new ERP system will be able to handle or not as Seco NAFTA will not fully transition until the end of 2019. Unfortunately, this is not a question we are able to answer at this point. We are doing everything we can to be as proactive as possible. Our focus on customer experience will help while we investigate the long term solutions.*
Q:	Indexable specials have been a nightmare in the past. Slow quotes and very late deliveries. Why should we be more confident now?
A:	*We have expanded our capability to produce special tools in Troy and quite frankly deliver a much higher level of service on those products that are completely under our control. For example, we recently released a semi standard helical cutter range where we can deliver finished tools within 4 weeks. We can quote those tools easily within 24 hours and manufacture them from blanks that are in stock in Troy. We have capacity to manage that business in Troy with the investments we have made in new machine tools.*
Q:	What is being done about hitting lead times? Both on semi standards and specials?
A:	*We continue to work on lead time reduction and lead time reliability projects with all our manufacturing locations.*
Q:	Should you move special design facilities to India or China for faster response and avoid one month of vacations from Europe?

A:	*We do use some design resources from our location in India and get very good service from that location. The global locations are looking at resource allocations to improve service levels during normal holiday periods.*
Q:	Could you increase the quantity stocked in Niagara Thread mills? Those are the best on the market, but stocks are terrible, so we lose opportunities.
A:	*We are working with production in Reynoldsville now to identify the key out of stock items and get them back in stock as quickly as possible. I can say that delivery service for all the Niagara products has improved each week this year and will continue to improve throughout 2019.*

Area:	Services, Education & Tec Team
Q:	Is there a new team leader or manager within SECO handling the SupplyPro activity, products? Has SECO considered or would they consider another option besides SUPPLY PRO for vending solutions?
A:	*Todd Miller has taken over managing the product range and getting the entire standard offering loaded into our system with a list price and discount. This will allow the sales teams to create budgetary quotes based on the configuration detailed by the SupplyPro expert. Seco will continue to work with SupplyPro to improve the offering and service levels and continue to rely on SupplyPro for technical support in the field. Yes Seco will consider other options if those solutions bring better technology, performance or service to our customers.*
Q:	How about chat for the tech team? Will Tech Team support extend the hours of availability for others on the west coast?
A:	*Jeff Braun is looking into other options to supplement the email and phone support. We also are considering some global tech team support that will greatly expand the hours of availability.*
Q:	Is there a cost to the end user associated with the MEE program?
A:	*Yes. These full consulting proposals will be charged to the end user in the range of $30,000 for a full 1 week evaluation with 3 engineers on site for the full week. The fee structure is based on 150 hours at $200/hour. We expect the evaluation will lead to opportunities for Seco to increase sales and for our distributors to offer potential solutions for other areas that might come up as problem areas like supply chain, quality, fixturing etc.*
Q:	Will you conduct a CP3 summit in Mexico someday?
A:	*Yes, absolutely. Our intent is to offer as much training as you would like. If there is enough interest we will ensure that it happens.*
Q:	DVBS has been fantastic for those of our guys that attended. Will you offer more advanced Sales training in the future?
A:	*Yes, again if there is interest we will continue to add classes and curriculum as long as we can fill them.*

Area:	Marketing & Websites
Q:	With all the new products being launched how does a distributor get technical information on these products that will allow us to successfully promote them? Will we get hard copies in one hand out for the new product launch? Haven't been presented with a new product launch in quite a while. Are they still launched as in past?
A:	*We have moved to digital launches for 2-3 years now and have been sending an eblast when new products are released each Spring and Fall. Within the email you'll find links to digital*

	copies of the product launch summary, full product lists with clickable links to products on Secotools.com, technical guides and PowerPoint presentations. There are also links to Product Manager videos on YouTube giving the basic technical info in a short, easy to digest format. All assets are available from www.secotools.com/showcase for download and a link to order any printed material is also provided within the launch emails. Local Seco sales people are also available and willing to schedule time to visit your location for in person training.
Q:	Why do the EDP numbers of some locally (US) stocked items not show up when searching in My Pages/Secotools.com?
A:	*We are working on a global platform and are trying to find a solution to include the limited range of locally stocked items that are not showing up to on Secotools.com.*
Q:	Will there be any promotion of products outside of the same old kits?
A:	*The kits seems to be the most consistent way to get products into new customers hands who want to try new tools from Seco. The discounted price for the steel and insert is attractive as a package. Generally speaking, we have not seen broad based success with any of the individual product promotions we have tried over the years. The sales team will continue to review and offer appropriate discounts and conversion packages for larger value opportunities.*
Q:	Besides 2D Cad files and 3D STP files are PDF files also available on products?
A:	*We currently do not offer PDFs as an option from the web but they can easily be provided upon request. We will check into the possibility to add these as an option on the website.*
Q:	When will we get catalogs?
A:	*We expect to have the first global catalog in the first half of this year. The holemaking catalog will be used for proof of concept and we will then work on the rest of the catalogs.*
Q:	Do you have any plans to release or create an app to mimic your website? Internet connection is not available at a number of my customers.
A:	*We are investigating bringing back the My Pages app to improve ease of login and navigation but it is not a true offline app as there is too much data for it to be portable.*
Q:	What is the expected date of delivery on the digital conversion app?
A:	*We expect the app to be available to all distributors by the end of 2019. In the meantime, while we are populating the data and working out the bugs, please contact John Patouhas at john.patouhas@secotools.com for any conversion opportunities*

Area:	Segments & Market Outlook
Q:	What % of R&D will be focused on Aerospace?
A:	*We spend 4% of our revenues on R&D and currently about 25% of the R&D projects are focused on aerospace components or materials.*
Q:	What efforts are being made within R&D (grades) for Oil and Gas Segment in 2019?
A:	*We have an active project for grade development in this area along with some upgrades to the holders. It is in the initial stages right now but moving along the process. A decision to continue funding the project based on initial internal results will be made later this month.*
Q:	What is market growth rate of Round Tools vs Indexable in the US and what are Seco's growth rates in both those segments.
A:	*Round tools appear to be growing 3 to 4 percentage points ahead of the indexable market. If we look at a 2year trend (2018 vs 2016), Seco has grown faster than the market in both Round and Indexable tooling.*
Q:	Why are round tool growing faster than indexable??
A:	*Customers are utilizing smaller, faster and lighter duty machines. There is also less roughing on the parts being manufactured today due to additive manufacturing and more precise*

	casting/forging technology. All of this leads to less heavy roughing which consumes the largest amounts of indexable tooling.
Q:	Who do you see as your competition from the round tool side and why are they the competition. Are they better at anything specific?
A:	*There are a few key competitors in the market. It would be difficult to name them all individually. We see our competitors as mainly US based manufacturers of High-Performance Cobalt and Solid Carbide End Mills. So, the likes of SGS, Helical and Garr just to name a few. Not sure anyone has specific solutions that are better, but they do each have strengths, whether its stock availability, distribution center locations or smaller and more agile. I do believe the one strength we have is our sales team, our size, our coverage, our knowledge added to our complete product offering set us apart from the competition.*
Q:	What was the SECO growth in US automotive segment?
A:	*We believe the auto segment grew about 14% in 2018*
Q:	What is the projection for electric generation in US for 2019
A:	*No significant impact projected on our business in 2019*
Q:	Where is the Seco growth going to come from in 2019 in the US?
A:	*Aerospace should be strong for us, Medical will be stable with slight growth, Oil and Gas dependent on oil prices, Auto should be good as we have some great programs going and relatively small share.*



Let's keep rolling together.