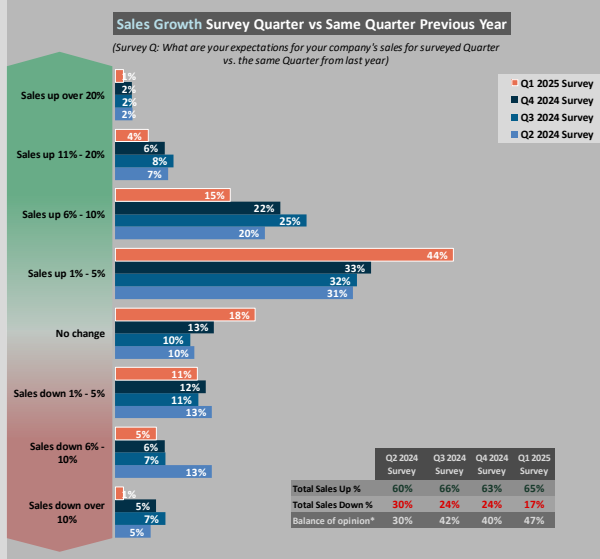
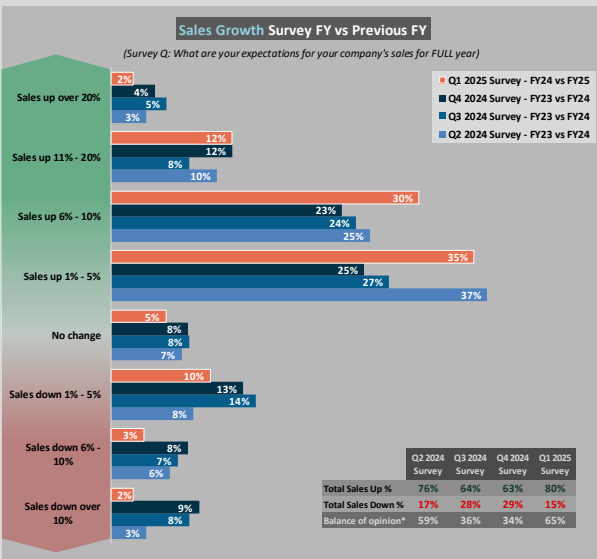
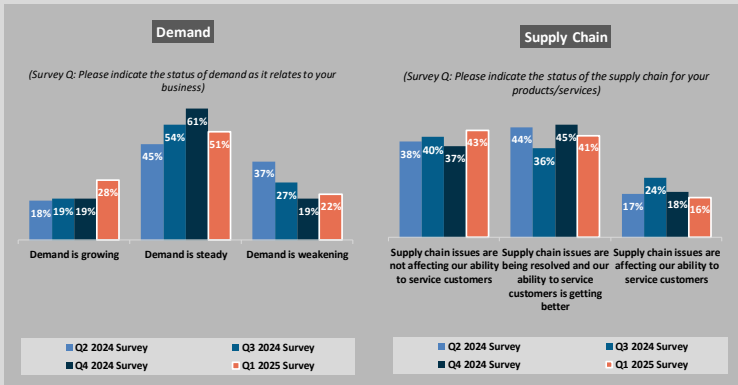
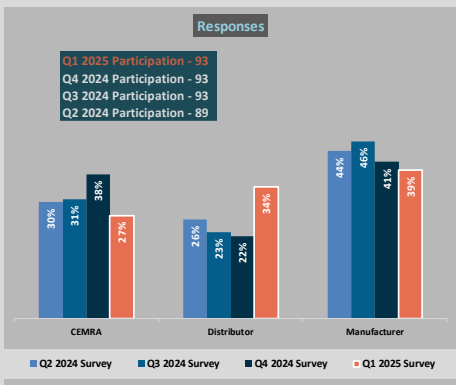


Electro-Federation Canada has released the Q1 2025 Business Confidence Survey Results. A total of 93 key association contacts responded to this latest survey. The sample size remains consistent and strong, with an increase in Distributors participation. The results indicate a positive sentiment across all membership types, with 80% of respondents are anticipating some sales growth in 2025, with 35% expecting growth in the range of 1 to 5%. However, most of the comments provided on the survey highlight concerns about potential US tariffs.

65% of the respondents predict an increase in sales in Q1 2025, with 44% expecting growth in the 1-5% range. 51% indicated that Demand was steady, which is lower than the last poll. Only 16% indicated that Supply Chain issues are affecting their ability to service customers. This has improved from the previous survey showing 18%.



* Percentage of respondent saying "Sales up" minus percentage of respondent saying "Sales down"

Sample comments included:

- The Trump's potential tariffs create a lot of uncertainties, which could affect significantly our business. | Huge uncertainty around USA imposing tariffs | Significant concern over potential tariffs. | Uncertainty at an all-time highs due to USA situation | Major concerns about tariffs | Tariff concerns are out there, not too sure what to expect in 2025 at this point. | The uncertainties of the tariff cloud hanging over us combined with our federal election require an asterisk be put on all forecasts. | The threat of U.S./Canadian tariffs could have an overall impact on the Canadian economy, customer's confidence, and the sales and revenues performance in 2025.
- Probably should have waited for survey till after inauguration.
- Macro factors within Canada and the uncertainty with USA make forecasting a bit unusual. - Canada shows to be in stagnation growth and political uncertainty creates complexities - Canada's Interest rate will likely continue to drop, weakening the Loonie. This will make importing more expensive. This can be positive for EFC manufacturers when selling locally or in US economy.
- Tariffs of 25% will be of interest and how Canada politicians will negotiate. Will tariffs on Chinese imports into Canada see a tariff too?
- The impending US tariffs are going to play a major factor in 2025 negatively. The growing US protectionism is also extremely worrisome. EFC should consider GR strategy of Team Canada approach.
- Tariff uncertainty affecting exports to US. Suppliers are investing in capacity, but not ready yet and shortages remain.
- People are complacent. We have found ourselves in a bad position.
- Jan 20: Trump Tariffs may impact Supply Chain.
- The rise in the USD and the uncertainty of US relations it starting to scare some clients and creating a anti-us material tendency.
- I think the supply chain was okay however lead times for many products have still been an issue as we ended 2024. This is due to back log not really supply of components. There are a few sectors that have supply issues of components but most issues as we ended 2024 was back log. That being said, as we enter 2025, I feel we are now seeing some component issues and a little worried we will be back into a supply chain issue. This may be caused by tariffs etc. We will need to wait and see.