



Western Pneumatics, Inc.

Pneumatic Conveying & Material Handling
Machinery Group & Finger Jointing
Industrial Installation

Custom Fabrication
Dampers
Agricultural Products

Tanks & Pressure Vessels
Biomass
Parts & Service

March 25, 2020

Western Pneumatics COVID-19 Sales Update

As the impact of the Coronavirus spreads across the country, we have all been inundated with increasingly bad news and some misinformation. However, there are bright spots out there if you look for them, despite what you may see in the news. I am excited to share some positive thoughts and encouraging signs regarding our business and our role going forward.

We received a letter yesterday from one of our customers that really struck home for me. In it, they stated that they were considered a business that is critical to the infrastructure of our country, as all wood products facilities are. By extension, Western Pneumatics is also considered critical based on our support of these facilities. The letter went on to say that *"It is important to remember each aspect of the industry is dependent on all other aspects of the industry – no one sector can operate in isolation."* Our support is vital to maintaining essential industries like agriculture and farming, energy generation, heating products, building materials, and paper products (Even Toilet Paper). We have a responsibility to our community and to our country to continue that support so that the supply chain remains strong and people can get the supplies that they need.

Over the past week we have seen a commitment from nearly all of our customers to accept the challenge, as we have, to work hard to support our country and fellow businesses. Planned jobs are still happening, we are getting many requests for quoting new work, and have even received orders.

- Friday we received a PO for two large airlocks at Arauco
- Yesterday we received a PO for a large job at Georgia Biomass
- We had a conference call yesterday regarding a large amount of work we have quoted to Drax. The projects are moving forward as scheduled and we are confident we will receive orders on much of it in the near future.
- Several planer mills we have been working with are still moving forward with expansion plans. Those jobs will hit the shops in the summer for an early fall install.
- We received an RFQ just this morning for a large upgrade at the Enviva Hamlet plant. We will be submitting a proposal on that soon. It is a job we have been discussing with them for 9 months, and it is a funded project.

The communication that we have had with our customers has been overwhelmingly positive. Of course everyone is concerned about the virus situation, but people are working smarter and safer while making a determined commitment to operate and upgrade their mills. We still have a large amount of secured work, and are expecting there to be much more on the way. This virus has thrown down the gauntlet, but companies and individuals are accepting the challenge, and using it as motivation to do everything they can to support the country and one another. That's a healthy attitude, and one that will hopefully spread and make us a stronger country.



Chris Peterson