Miba Sinter USA, LLC

3rd Annual Appalachian Ohio State of the Region Conference
Tuesday, May 20th, 2014
Mission of Miba Sinter Group

Miba Sinter Group develops and manufactures high-precision components from sintered metal, which enables customers to make vehicles

- more efficient,
- more environmentally friendly and
- more silent
Miba sintered components are high-precision and high-strength parts. They are used in engines, transmissions, steering's, brakes and shock absorbers of passenger vehicles.
Technological Expertise

Qualified employees

Material development

Functional testing

Virtual design/Simulation

Efficient production lines

High-precision tooling
Sinter process –
Specialization in highly dynamic drives
Development and production of gears and modules for mass balancer
Innovative technologies in order to achieve
  - cost effectiveness
  - improved functionality
  - reduced friction resistance
  - Optimized behavior
Product Portfolio - Transmission

**Our Strengths**

- Innovative materials and processes
- In-house competence for synchronizer design, friction materials and validation testing
- Net-shape manufacturing
- Cost effectiveness


**Our Strengths**

- Development & manufacturing partner on components for steering systems and pumps
- Helical belt pulleys for electrical steering systems
- Rotors, slides and modules for variable oilpumps
- Applications for HP-dieselpumps
- Doubledisc grounded parts
- Flexible supply solutions by global manufacturing
Plant Demographics

- **No. of Employees:** (26 Blue Collar, 87 White Collar)
- **Facility was started in 2008**
- **Shift model**
  - 12 hour rotation
  - 3 shifts
Location/Supply Chain

Location

Located along North State Route 60 in McConnelsville, OH

Successes

Centrally located in Ohio

Challenges

2 lane highway
No recent developments or improvements to the roads
Weather/Rural
Main suppliers, customers are out of state/country
Business Successes and Challenges
Miba Sinter USA, LLC

Business Climate

Successes:
• Profitable within the first year of Production.
• Miba is one of the largest employers in Morgan County.
• MCIC
  • Helped in financing of $11.5 million

Challenges
• Keeping up with demand.
Plant Expansion MSUSA

- Construction started June 2013 and will be completed June 2014.

- Original building
  Manufacturing Floor: 2,555.m² / 27,500.ft²
  Total Plant: 4,269.m² / 45,951.ft²

- New Expansion
  Manufacturing Floor: 2,945.m² / 31,699.ft²
  Total Plant: 3,945.m² / 42,463.ft²
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Amount of the investment volume on behalf of Miba since the opening of the site</td>
<td></td>
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<tr>
<td>$ 4.5 original building (MCIC portion)</td>
<td>4.5</td>
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<tr>
<td>$ 2.6 original building (Miba investment)</td>
<td>2.6</td>
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<tr>
<td>$ 7.1 Total original building</td>
<td>7.1</td>
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<tr>
<td>$ 28.2 Equipment through 2013</td>
<td>28.2</td>
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<tr>
<td>$ 7.6 Equipment through 2014</td>
<td>7.6</td>
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<tr>
<td>$ 35.8 Total Equipment thru end of 2014</td>
<td>35.8</td>
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<td>$ 4.7 New Building spent to date end 2013</td>
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<tr>
<td>$ 1.1 New Building spent to date Q1 2014</td>
<td>1.1</td>
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<tr>
<td>$ 2.2 Remaining Planned (Building and Infrastructure)</td>
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<tr>
<td>$ 8.0 Total New Building</td>
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</tr>
<tr>
<td>$ 50.9 Total Invest Thru End of 2014</td>
<td>50.9</td>
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Recruiting

Process

All positions: Advertise via net and newspapers, apply on line or in person.
Hourly: Can drop off a resume in person or through ODJFS, pre-hire testing (Work Keys), interview
Salary: Resume sent directly HC, phone screen, interviews

Successes:

• Pre-hire testing with Work Keys administered by Washington County Community College
• Scholarship for Morgan High School students
• Visits with classes from OU, Zane State, MHS
• Morgan Local Schools Teacher tour/visit
• Machine Skills Trades collaboration
• Washington State Community College

Challenges

• No strong support for encouraging youth to consider Manufacturing
• Lack of interest in Vocational Trades and Engineering in local students
• Location not ideal for relocation
• Highly automated/ heavy in Robotics
Training

**Successes:**

- Development of an extensive in-house training program
  - Company wide- Site goals, Handbook, Basic PM Instruction
  - Common Operator Trainings- Gaging basics, Problem solving, 5S
  - Job Specific Trainings- Basic Automation, MIBA cube changeover, Sizing theory

- Grant Support
- APEG support
- Global Support and exposure- Other sites
  - Opportunity to travel internationally for training.

**Challenges**

- Powder Metal Industry is not well known in this area. Much training is required over time to understand the properties of powder metal and how to run our presses.
Successes:
• Highly engaged workforce
  Rated 85.93 on Employee Survey 2012 done through external marketing group.
• Family culture
• Young company
• Open door policy (Flat)

Challenges
• Retention of employees not from this region