

Aerospace and Defense ■ Automotive ■ Chemicals
Diversified Manufacturing ■ Engineering Procurement
Construction ■ Heavy Equipment ■ Oil and Gas

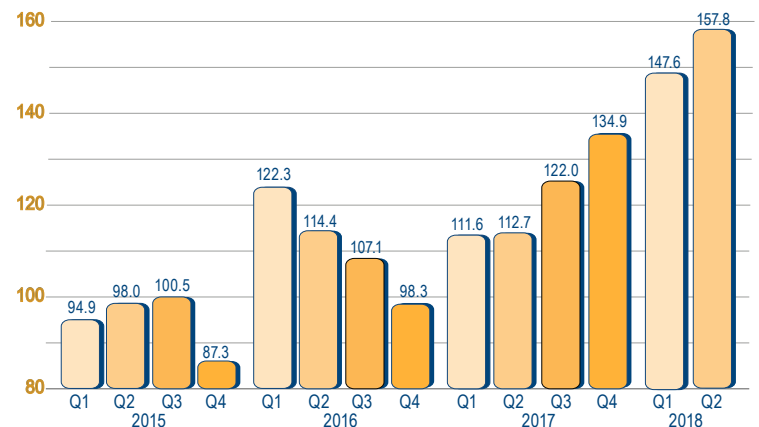
Q2 2018



The Q2 2018 release of the **ZRG Partners Global Industrial Hiring Index** posted an 8% increase in global hiring demand quarter-over-quarter. Additionally, the Index improved 27% year-over-year, when compared to Q2 2017. This is the second quarter in a row we've observed an 8% increase in the Index *versus* the previous calendar quarter. Beginning in Q4 2017, we have also now seen three quarters in a row of record hiring based on the overall Index average (152, 165 and now 178, respectively). Hiring is very strong globally, and it appears to be accelerating into the second half of 2018.

The Q2 2018 results show a strong employment market across all subsectors within the Industrial space, with only two subsectors down marginally; Diversified Manufacturing and Heavy Equipment, both of which showed single digit decreases in hiring *versus* last quarter. The big winners this quarter, were Chemicals (up 56% *versus* last quarter) and Aerospace and Defense (up 13%).

Global Industrial Hiring Index



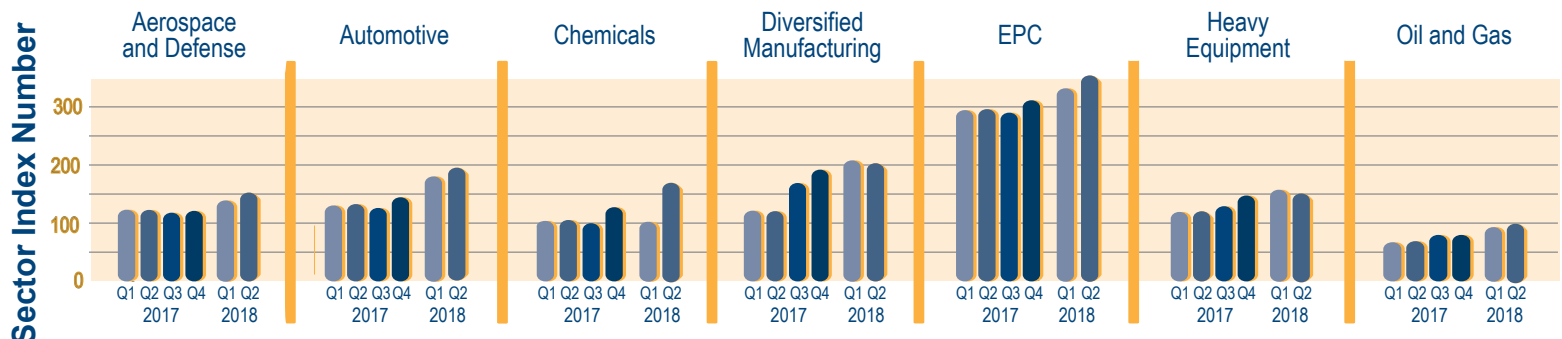
Nate Frank, Managing Director and Head of the Global Industrial Group for ZRG Partners stated:

"The Index continued to surge ahead again in Q2, despite the uncertainty brought about by trade wars and mid-term elections. Coupled with historically low unemployment, the concern over a talent shortage we have heard across the Industrial space in recent years appears to be coming to fruition. This reality has prompted more strategic conversations about talent acquisition and retention than ever before."

What's Growing? Every Industrial subsector we follow posted an increase in job postings during Q2 2018 *versus* the prior quarter, except for Diversified Manufacturing and Heavy Equipment both of which were down a small amount on a percentage basis quarter-over-quarter. However, both of those subsectors were still up significantly on a year-over-year basis. All other subsectors showed gains, with hiring in Chemicals and Aerospace and Defense rising the most dramatically (56% and 13%, respectively) *versus* last quarter. Across the board, all subsectors were up strongly in Q2 2018 *versus* Q2 2017.

What's Slowing? Hiring in the Diversified Manufacturing and Heavy Equipment subsectors fell single digits (down 6% and 9%, respectively) *versus* last quarter.

Where are the investment dollars flowing? From a Private Equity investment perspective in Q2 2018, Private Equity investment in the Industrial sector was down 14% quarter-over-quarter. One subsector that showed relative strength this quarter was Diversified Manufacturing with investment dollars rising from \$7.1 billion last quarter to \$19.9 billion this quarter. Heavy Equipment showed a considerable dip in investment dollars this quarter. After recording \$5.01 billion, \$9.22 billion and \$7.35 billion in investment the last three quarters (respectively), this quarter's investment was only \$279.6 million. Industrial sector was up 22% to \$35.4 billion on a quarterly basis and up 54% from a year ago. Strong PE investments flowed into the Oil and Gas subsector, in particular.



About the ZRG Global Industrial Hiring Index

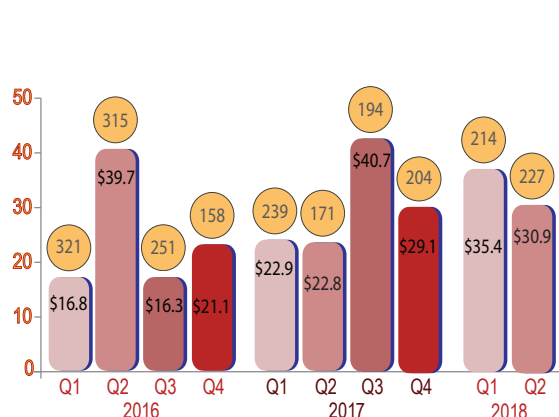
ZRG tracks hiring demand and PE investment over seven Industrial sectors globally. We do this by tracking hiring trends of top 10 leaders in each sector and track private equity investment in the same areas. The Index is a proprietary formula that will reflect global hiring demand from these data sources. ZRG collaborates with data from the CEB TalentNeuron tool and Pitchbook to assemble the sector data.



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Private Equity investment in all tracked sectors

Capital Invested & Deal Count



From a Private Equity investment perspective in Q2 2018, investments in the Industrial sector were down 14% to \$30.9 billion on a quarter-over-quarter basis. However, investments in the sector were up 26% from year ago levels. Strong PE investments flowed into the Diversified Industrial subsector with investments of \$19.9 billion, up nearly 200% versus last quarter. The Heavy Equipment subsector was a laggard, slowing considerably after three strong quarters of investment flow.



About ZRG Partners

ZRG Partners, LLC is a leading authority on global talent management issues within the Industrial markets. ZRG provides its clients with specialized market expertise in executive recruitment, consulting and advisory work, with a focus on data and analytics to drive great business decisions.

ZRG brings patented solutions that are changing how companies approach talent in the Industrial sector. Our value proposition is centered around providing data and analytics that perfectly compliment the market expertise we bring in this sector.

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