COVID-19 TRENCHLESS INDUSTRY IMPACT SURVEY

MAY/JUNE 2020
NASTT SURVEY COVID-19 IMPACT ON TRENCHLESS INDUSTRY

OVERVIEW

OVERVIEW: The North American Society for Trenchless Technology (NASTT) conducted a survey to gauge the impact of COVID-19 and actions being taken to manage risk and plan for contingencies within the trenchless industry.

Total Responses: 172

The results are snapshot of the time period from May 29-June 19, 2020.

Individuals and corporations affected by COVID-19 are committed to providing a safe working environment for employees and customers.

KEY TAKE-AWAYS

• Restricted travel is the number one cost cutting/cash management measure implemented since March 1 for all respondents.
• Nearly half of respondents implemented some level of salary freezes or reductions.
• Revenue reductions, employee absenteeism and project delays of 1-3 months are top disruptions to business continuity.
• Companies are confident they can identify new ways to increase or maintain revenue levels. Nine percent have seen a dramatic decrease in revenue.

“The first quarter and April were somewhat slow; but, in May orders have picked up significantly.”

The world is changing and NASTT is here to support the trenchless industry through challenging times.
SURVEY PARTICIPANTS

Organization Type
- Construction or Contractor: 12%
- Engineering & Design Firm/Consultant: 28%
- Manufacturer/Supplier: 13%
- Tools/Equipment/Other: 1%
- Municipal/State/Federal Government: 3%
- Private or Public Utility: 4%
- College/University/Training Center: 37%
- Other (View all): 2%

Annual Revenue
- > $100 million: 35%
- > $50 million to $100 million: 30%
- > $10 million to $50 million: 25%
- $1 million to $10 million: 15%
- < $1 million: 0%

Organization Size
- > 500 employees: 40%
- 251-500 employees: 35%
- 101-250 employees: 30%
- 51-100 employees: 25%
- 11-49 employees: 20%
- < 10 employees: 15%

Respondent Title
- Executive Management: Senior Executive
- Executive Management: Executive
- Middle Management: Senior Director
- Middle Management: Director
- Managers & Advisors: Senior Manager or Executive
- Managers & Advisors: Manager or Advisor
- Staff level: Senior
- Staff level: Intermediate
- Staff level: Associate or entry level

Do you own your own business?
- No: 82%
- Yes: 15%

Organizational compactness not specified in the image.
SURVEY PARTICIPANTS – LOCATION

Country

- Canada: 19%
- USA: 79%

NASST CHAPTER

- British Columbia (British Columbia)
- Great Lakes, St. Lawrence & Atlantic (Ontario, Quebec, ...)
- International
- Mexico
- Mid-Atlantic (DE, MD, NJ, PA, VA, WV, DC)
- Midwest (IL, IN, IA, KY, MI, MN, MO, OH, WI)
- Northeast (CT, ME, MA, NH, NY, RI, VT)
- Northwest (Manitoba, Saskatchewan)
- Pacific Northwest (AK, ID, OR, WA)
- Rocky Mountain (CO, KS, MT, NE, ND, SD, UT, WY)
- South Central (OK, TX)
- Southeast (AL, AR, FL, GA, LA, MS, NC, SC, TN, PR)
- Western (AZ, CA, NM, NV, HI)
The demand for our products and services **over the last 3 months** (since March) has:

- **Unknown**
- **Decreased dramatically**
- **Decreased slightly**
- **Not changed**
- **Increased slightly**
- **Increased dramatically**

The demand for our products and services **over the NEXT 3 months** is expected to:

- **Unknown**
- **Decrease dramatically**
- **Decrease slightly**
- **Not change**
- **Increase slightly**
- **Increase dramatically**

"Many projects have been deferred to late 2020 and 2021. There is a lot of uncertainty for future resumption of projects. Marketing efforts through presentations and seminars have stalled completely and likely will not resume until mid-2021."

– Respondent with < $1,000,000 annual revenue.
In the last 3 months (since March) our revenues have:

- Unknown
- Decreased by 30 percent or more
- Decreased by 21-30 percent
- Decreased by 10-20 percent
- Stayed more or less the same
- Increased by 30 percent or more
- Increased by 21-30 percent
- Increased by 10-20 percent

In the NEXT 6 months (through December 31, 2020), our revenues are expected to:

- Unknown
- Decrease by 30 percent or more
- Decrease by 21-30 percent
- Decrease by 10-20 percent
- Stay more or less the same
- Increase by 30 percent or more
- Increase by 21-30 percent
- Increase by 10-20 percent

"Hopefully explode!"
We have undertaken the following cost cutting/cash management measures since March 1, 2020:
If you indicated that your organization implemented travel restrictions, what types of travel restrictions has your organization implemented?
CHALLENGES AND DISRUPTIONS

What challenges or disruptions to sustaining business operations have you experienced or are anticipating experiencing due to COVID-19?
**NEXT STEPS – SCALING UP**

Indicate what measures your organization *may have taken, are discussing or plan to take in the next six months* to scale up in response to the pandemic.

<table>
<thead>
<tr>
<th>Response</th>
<th>Have Taken</th>
<th>Are Discussing</th>
<th>Plan to Take</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increasing employee count</td>
<td>10%</td>
<td>19%</td>
<td>10%</td>
<td>61%</td>
</tr>
<tr>
<td>Adding products &amp; services in alignment with current lines of business</td>
<td>8%</td>
<td>22%</td>
<td>7%</td>
<td>63%</td>
</tr>
<tr>
<td>Adding new lines of business</td>
<td>6%</td>
<td>18%</td>
<td>4%</td>
<td>72%</td>
</tr>
<tr>
<td>Making capital investments</td>
<td>6%</td>
<td>15%</td>
<td>9%</td>
<td>70%</td>
</tr>
<tr>
<td>Looking for acquisitions</td>
<td>2%</td>
<td>9%</td>
<td>--</td>
<td>89%</td>
</tr>
<tr>
<td>Looking to merge</td>
<td>--</td>
<td>2%</td>
<td>--</td>
<td>98%</td>
</tr>
</tbody>
</table>
NEXT STEPS – RE-OPENING

Which of the following best describes when you will re-open your organization’s offices?

- **21%**
  
  *We have already re-opened some offices*

- **10%**
  
  *When the governor(s) where our office(s) is/are located say(s) it is safe to do so*

- **22%**
  
  *When we feel it is safe to do so, even if the governor(s) allow business offices to re-open*

- **23%**
  
  *Does not apply/we didn’t close our office(s)*

Other responses:

- Our offices will open for limited staff who wants to return to the office. Those that prefer to work from home will continue to do so.
- We expect a very gradual and limited access to offices for the foreseeable next few months.
- We did not have to fully close any of our offices. However only essential employees have been working on site with staggered shifts. All nonessential employees have been working remotely.
- We are considering office openings on a case-by-case basis in conjunction with state restrictions.
- Return to office is voluntary at this point in time, but the office is open with restrictions
- We will be opening back up in the office on June 1st and full staff will be on site and not working from home
- We will phase employees back in starting after Labor Day. Some of us may continue to work from home.
NEXT STEPS – GETTING BACK TO BUSINESS

In returning to the workplace, how confident are you in your company’s ability to do the following:

<table>
<thead>
<tr>
<th>Response</th>
<th>Very Confident</th>
<th>Moderately Confident</th>
<th>Not at all Confident</th>
<th>Unsure</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meet customer’s safety expectations</td>
<td>79%</td>
<td>14%</td>
<td>--</td>
<td>2%</td>
<td>5%</td>
</tr>
<tr>
<td>Provide a safe working environment</td>
<td>73%</td>
<td>20%</td>
<td>2%</td>
<td>--</td>
<td>4%</td>
</tr>
<tr>
<td>Retain critical talent</td>
<td>62%</td>
<td>29%</td>
<td>2%</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Manage employee well-being and morale</td>
<td>48%</td>
<td>39%</td>
<td>5%</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Build skills for the future</td>
<td>50%</td>
<td>36%</td>
<td>5%</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Balance the needs of all stakeholders</td>
<td>44%</td>
<td>41%</td>
<td>3%</td>
<td>3%</td>
<td>10%</td>
</tr>
<tr>
<td>Identify new revenue sources</td>
<td>28%</td>
<td>39%</td>
<td>8%</td>
<td>10%</td>
<td>16%</td>
</tr>
</tbody>
</table>
NEXT STEPS – TRANSITIONS

Which of the following is your company planning to implement once you start to transition back to on-site work?
PERSONAL IMPACT

Which best describes your employment situation over the last 3 months?

- Furloughed at some point, have returned to work
- Furloughed at some point, have not returned to work
- Transitioned to working from home
- Already worked from home
- Continued working at office, on job-site location
- Downsized or position eliminated during the last 3 months, seeking employment
- Other
PERSONAL IMPACT

Despite your employer's official policies, how is COVID-19 personally impacting the likelihood you will do the following:

<table>
<thead>
<tr>
<th>Response</th>
<th>More Likely</th>
<th>No Impact</th>
<th>Less Likely</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Take sick days if you have cold/flu symptoms</td>
<td>62%</td>
<td>30%</td>
<td>--</td>
<td>7%</td>
</tr>
<tr>
<td>Stop or reduce travel for personal reasons</td>
<td>63%</td>
<td>28%</td>
<td>7%</td>
<td>2%</td>
</tr>
<tr>
<td>Stop or reduce travel for business reasons</td>
<td>65%</td>
<td>27%</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Avoid all travel</td>
<td>41%</td>
<td>27%</td>
<td>21%</td>
<td>11%</td>
</tr>
<tr>
<td>Attend in-person events with 10-25 people</td>
<td>15%</td>
<td>37%</td>
<td>46%</td>
<td>2%</td>
</tr>
<tr>
<td>Attend in-person events with 25-50 people</td>
<td>12%</td>
<td>26%</td>
<td>59%</td>
<td>3%</td>
</tr>
<tr>
<td>Attend in-person events with more than 50</td>
<td>13%</td>
<td>17%</td>
<td>67%</td>
<td>3%</td>
</tr>
<tr>
<td>Attend virtual events</td>
<td>76%</td>
<td>20%</td>
<td>3%</td>
<td>2%</td>
</tr>
</tbody>
</table>
NASTT RESOURCES

While you may be social distancing, trenchless professionals are sticking together to ensure the industry remains viable and vibrant through NASTT membership.

- NASTT COVID 19 Resource Center
- Trenchless Industry Job Board
- Live and Archived Webinars
- Talk Trenchless: 24/7 Member-only Online Community Discussion Group

- NASTT’S Trenchless Today magazine
- NASTT Books – Now 30% Off
- Technical Paper Library
- Virtual Good Practice Courses – Coming in August

NASTT provides solutions you need to grow your expertise and knowledge, build professional networks, advance your career and business, save time and money and stay informed in a changing world.

The world is changing and NASTT is here to support the trenchless industry through challenging times.
QUESTIONS?

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