Presenting Sponsor Remarks

Tom Doring, President AMMEGA Americas

Presented by: AMMEGA GROUP

NIBA 2025

DALLAS, TEXAS SEPTEMBER 9-12

The Annual Convention of NIBA - The Belting Association

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DRIVING INNOVATION IN BELTING:
MARKET INSIGHTS & INDUSTRY OUTLOOK

Tom Doring, President AMMEGA Americas

Tom Doring

As **<u>President of the Americas at Ammega Group</u>** since August 2019, Tom leads Ammeraal Beltech, Megadyne, and Jason across North, Central, and South America. He also serves on the Group Executive Committee.

Previously, he was Chief Strategic Officer at Southwire Corporation, overseeing global strategy and R&D. Before that, he led Vacon, Inc. and its integration into Danfoss, later heading its Drives Business for the Americas. Tom also spent 21 years at Eaton Corporation in various leadership roles.

He holds a Bachelor of Science in Engineering from the University of Dayton.

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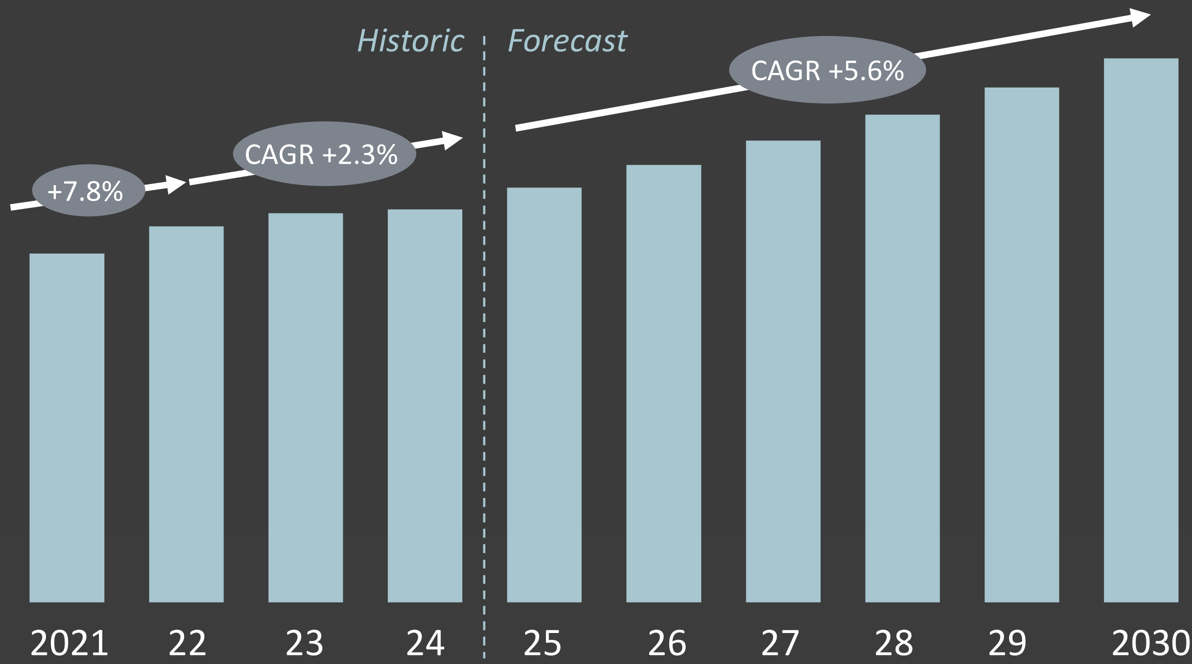
Outlook of the Belting Solutions Market

Belting Solutions market growth projection; 17.7 EUR bn by 2030



- **2021-22:** High growth due to consumer demand related to Covid and low interest rates
- **2022-24:** Slower growth from extra capacity, high interest rates, and low consumer confidence
- **2025-30:** Return to normalized growth rates with both growing consumption and investments

Source:McKinsey & Company Market Study

Belting Industry: Mega Trends

Sustainable Energy Transition

Shift to **renewable energy and electrification** increases demand for clean technologies (e.g., batteries, heat pumps)

Digital and AI

Increasing **digitalization**, with rising **GenAI adoption**, drives acceleration of development of related markets (e.g., data centers, semiconductors)

Geopolitics

Bifurcation of global markets (e.g., US-China) expected to increase due to recent US election

New capex cycle in emerging markets

New **large manufacturing hubs in emerging markets** (e.g., India, Vietnam) and **new mega capex projects** (e.g., NEOM)

Automatization

Higher level of **automized industrial processes and robotics** due to enhanced technical abilities and increasing labor costs

- New high-growth markets emerging
- Potential need to adapt existing products
- Monitor emerging solutions and adjacent markets: potential change in strategic focus
- Potentially different requirements for automation
- Wary of geopolitical risks

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Source:McKinsey & Company Market Study

Belting Industry: End Market Trends

		Growth Potential
Food & Beverage	Population growth = increased processed food consumption Attention to health and sustainability	●●●●●
Logistics & Material Handling	Increase of e-commerce Reshoring of manufacturing	●●●●●
Plastic to Paper	Higher customer focus on sustainable products	●●●
Sustainability & Circular Economy	Demand for sustainable, recycled solutions, and circular economy	●●●●
Digitization & Connectivity	Internet of Things and Industry 4.0 solutions (e.g., to enable predictive maintenance), = increased investments in digital	●●●●●
Experiences over Products	Increase in travel, higher consumer expenditure on experiences Next generation of mobility solutions (elevators, escalators, conveyors)	●●●●
Electrification	Production of EVs, driving transformation, investments and demand for solutions in the automotive and battery industries	●●●●

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Source:McKinsey & Company Market Study

Growth Drivers and Opportunities Areas in the Belting Market

Market

Connectivity and IoT CAGR

18%

Expected Market Size

USD 6 bn

By next year

Online Orders

B2B customer survey respondents expect to increase digitally procured volume 40p.p. to

60%

Next 3-5 years

Physical Infrastructure Opps

Data Centers

Enabling technologies to support the high-power density and cooling requirements

AI Accelerator Chips

Hardware chips to meet the high computational demand needed for training and inference of GenAI models

- Tech brings high growth, new sales channels, and physical infrastructure needs
- Companies in key industries name high costs, technology readiness, and internal knowledge as key factors limiting automatization
- Opportunity to focused on customer proximity and co-development of value-added solutions

Belting Solutions in Motion: Responding to Market and Customer Trends

Belting Market Segment	Growth	Comments
Synthetic Belts	↔	Steady demand, aligned with market trends
Homogeneous Belts	↑	Rapid growth driven by stringent hygienic standards
Engineered Belts	↗	Increasing demand from higher-speed, automated operations
Lightweight Rubber	↔	Stable demand, following market trends
Metal Belting	↘	Growth constrained by safety and hygiene challenges
Modular Belts	↗	Expanding into new markets, fueling growth
Chain Belts	↔	Steady demand, consistent with market trends
High Performance Flat Belts	↗	Rising demand from automation and high-speed applications
SMART Belts	↑	Cutting-edge technology driving significant market adoption
Rubber Timing Belts	↗	Modernizing traditional applications for efficiency and precision
Polyurethane Timing Belts	↑	Durable and customizable, opening doors to innovative industries

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Global Perspective in the Belting Market

The Global Belting Market is evolving worldwide, driven by technological innovation, changing customer needs, and regional market dynamics.

Geopolitics	Tariffs	Material Science Innovation	Operational Productivity	Emerging Markets
Global supply chains are increasingly shaped by tariffs, trade agreements, sanctions, and industrial policies, creating both risks and opportunities for market adaptation	US and global tariffs have risen significantly, impacting cost structures and prompting strategic sourcing and market maneuvering	New polymers and coatings are enhancing belt performance and durability	Efficiency improvements are increasing competitiveness and service capabilities especially in the USA	Asia Market Growth: Broad-based expansion across all categories, with adoption of advanced belting solutions

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