Q2 REPORT – SUMMARY

In the second quarter (Q2) of 2020, Waterloo EDC closed one investment deal with a value of $4.7 million, representing 10 new jobs, and continued to build on our strong sales pipeline. Our total investment pipeline is currently valued at more than $2.2 billion.

This quarter saw the team working remotely, along with other businesses in the region and around the world. Due to the COVID-19 pandemic, traditional inbound and outbound missions were paused to respect appropriate health and safety measures.

The Business and Economic Support Team of Waterloo Region (BESTWR) – under Waterloo EDC President & CEO Tony LaMantia’s leadership and including leaders from Communitech, the Greater Kitchener Waterloo Chamber of Commerce and Cambridge Chamber of Commerce – worked quickly to identify much-needed support measures and advocate for local businesses. BESTWR has had a total of 1,400+ interactions with companies looking for assistance.

Through all the challenges our community faced due to COVID-19, we are proud of our accomplishments in Q2 2020. Key highlights and performance are summarized below:

1 closed deal

Investment closed deal valued at $4.7 million

Breakdown of deals by sector:
100% advanced manufacturing

Approximately 10 new jobs created

0 foreign direct investments
1 local expansion

83 deals in our pipeline with an estimated value of $2.2 billion at the end of Q2 2020

INVESTMENT BY STAGE

$1,969,712,682

$171,843,888

$93,809,069

Forecast
Upside
Pipeline

4 opportunities in ‘Forecast’ stage with an estimated value of $94 million

Outbound and inbound missions

• 3 virtual “Why Waterloo” sales pitches to over 200 attendees
• 1 virtual inbound mission with a qualified investment client
As with Q1, the spread of the COVID-19 pandemic had a significant effect on Waterloo EDC’s investment attraction activities in Q2. As the quarter began, our organization had put a halt to outbound and inbound missions, including postponing or canceling five planned outbound missions.

While much of the Waterloo EDC team’s focus turned toward support for the local business community at the height of the pandemic, we also pivoted to focus on developing new strategies for attracting new investment to Waterloo Region in a post-COVID world. For example, our Business Development and Marketing teams attended dozens of webinars and other training programs focused on investment attraction, growth and innovation, projections for trade recovery, reshoring of supply chains and futureproofing technology.

In addition to seeking training and developing strategies, the Waterloo EDC team sought multiple perspectives on investment attraction through 100+ meetings with local stakeholders, intermediaries and BESTWR partners, including trade commissioners, recruiters, site selectors, real estate companies and support/funding organizations like NGen and Ontario Together.

Despite the challenges presented by COVID-19, the Waterloo EDC team succeeded in closing one investment deal in Q2. A local expansion valued at more than $4.7M, the deal will create 10 new jobs in the advanced manufacturing sector.

We also held 24+ investment-related calls and interactions with companies and intermediaries in Waterloo and, as the quarter came to an end, we began to receive more enquiries from companies concerned with the suspension of the H-1B visa in the United States. The Business Development team also delivered two Waterloo investment pitches as part of the Collision Conference in June.

Finally, while it presented obstacles to investment attraction, the COVID-19 pandemic did not stop Waterloo EDC from continuing to add potential deals to our investment pipeline. Overall, we added 13 new qualified opportunities that, if closed, would have a total value of nearly $200M and account for 241 new jobs. In total, our investment pipeline now includes a total of 83 opportunities valued at more than $2.2B. This solidly positions our organization for success in the second half of 2020 and beyond.

Added to the investment pipeline in Q2:

- **13** Potential deals
- **$200M** Total potential value
- **241** Potential new jobs
LOCAL BUSINESS RETENTION AND EXPANSION

With the COVID-19 global pandemic halting all outbound missions, Waterloo EDC turned a substantial proportion of its focus to supporting local businesses.

The Business and Economic Support Team of Waterloo Region (BESTWR) was established in Q1 and is made up of local civic leaders who are focused on local business retention, advocacy and support during the pandemic. During Q2, BESTWR took its final form with four committees – Industry, Workforce, Government Relations & Advocacy and Communications – and five industry-centric subcommittees. A total of 84 individuals were involved, with Waterloo EDC staff filling numerous leadership roles. Waterloo EDC also developed the framework of the organization itself.

BESTWR became a recognizable support system in Waterloo Region and interacted with around 1,400+ companies that were looking for assistance with government support and employment programs. Highlights of BESTWR successes include five advocacy letters to Prime Minister Justin Trudeau and Premier Doug Ford, numerous op-eds and interviews with local media, the launch of webinars aimed at helping companies navigate government support programs and, as the focus turned from response to recovery, the distribution of re-opening/return-to-work best practices and toolkits to local businesses. This work received unsolicited international recognition from Conway International – a top site selection consultant.

Waterloo EDC also created a COVID-19 resource page on our website that was updated frequently to reflect all the changes happening at the local, provincial, and federal levels that would affect businesses. To date, the Waterloo EDC COVID-19 resource page has received thousands of views.

Some truly notable examples of BESTWR business support are the InkSmith and Eclipse Automation stories. InkSmith pivoted from an edtech company to a manufacturer of protective face gear called The Canadian Shield. BESTWR created a small project team and helped them facilitate funding talks with various organizations. InkSmith eventually secured a federal procurement contract for 10 million face shields. Eclipse Automation acquired the rights to an automated N95 manufacturing system and has begun producing masks. BESTWR facilitated the conversations between Eclipse Automation and Next Generation Manufacturing Canada (NGen) and the Province of Ontario (via the Ontario Together Fund), helped secure federal and provincial funding for the N95 automation project and helped identify potential new local supply chain partners - critical to the localization of personal protective equipment (PPE) manufacturing.

InkSmith’s pivot from edtech innovator to personal protective equipment manufacturer is a bright spot amid the challenges of COVID-19. The company is working to manufacture and ship 10 million face shields and is now offering cloth and disposable face masks.
INVESTMENT MARKETING AND AWARENESS

During the second quarter, the Waterloo EDC Marketing team initially put a significant focus on providing helpful perspectives on the future of work, sharing local successes and connecting local companies with resources for seeking government support during COVID-19.

For example, during the most challenging part of the COVID-19 shutdown, Waterloo EDC released two webinars that addressed frequently asked questions about government support programs and followed those with three additional webinars about recovery and re-opening.

The team also launched a series of Q&A blog posts about remote work, including perspectives from a small tech company, a global business, a recruiter and a future of work expert. We also highlighted business successes, including InkSmith’s pivot from edtech to manufacturing and ApplyBoard’s $100M raise.

In total, Waterloo EDC published 24 blogs in Q2. After initial challenges in March, website traffic returned to normal levels. As Q3 begins, our content approach is returning to business-as-usual.

As restrictions in Ontario began to lift, the Marketing team’s focus shifted back to inbound marketing and lead generation. We began releasing additional 360-degree virtual tour videos – a useful tool during a global COVID-19 lockdown – and restarted our campaign to promote the Guide to Foreign Business Expansion. Coming out of Q2, the Marketing team is working to position Waterloo Region as an expansion option that reduces risk and increases business resilience.

As we return our focus to investment marketing, we are confident that our actions throughout Q2 have solidly positioned Waterloo Region for success during the second half of the year.

In Q2, we saw continued growth in key measures compared to the same period in 2019.

The growth of these key metrics is due to the continued success of Waterloo EDC’s overall digital marketing efforts.

The metrics that decreased over the previous period - LinkedIn Impressions and Content Downloads - are tied directly to Waterloo EDC’s shifting priorities during the COVID-19 pandemic as we scaled back our focus on inbound marketing and digital advertising during the first half of Q2.

*vs Q2 2019
OUR ORGANIZATION

VISION
To be locally rooted, internationally competitive and globally renowned.

MISSION
To build a world-leading legacy of sustainable economic development, prosperity and diversity for Waterloo Region.

VALUES
Collaborative, professional, honest, accountable, results-focused.

2020 BUSINESS PLAN:
THREE STRATEGIC PILLARS

1 Investment Sales
2 Concierge Service and Advocacy
3 Investment Marketing and Awareness