Q2 REPORT – SUMMARY

In the second quarter (Q2) of 2019, Waterloo EDC closed nine investment deals with a value of $151.6 million, representing 357 jobs, and continued to develop a strong pipeline of potential investments. Our total pipeline is currently valued at more than $2 billion. Year to date, we have closed 10 investment deals with a value of $161.5 million.

We led 21 inbound and six outbound missions in Q2, including leveraging the Collision Conference in Toronto to bring two busloads full of potential investors to Waterloo for an ecosystem tour. Our outbound missions included visits to all four of Waterloo EDC’s target geographical markets.

Our team members also attended or presented at 47 events including multiple government roundtables with the Greater Kitchener Waterloo Chamber of Commerce (GKWCC) and Communitech’s True North conference. Our marketing team continued to promote our community to our international audience through online content, including 26 blog posts. The second quarter concluded with the announcement that Waterloo EDC had finalized a $3 million funding agreement with FedDev Ontario.

We are pleased with our accomplishments in Q2 2019. The key highlights of our activity and performance are summarized below.

9 closed deals

- Investment closed deals of $151.6 million

Breakdown of deals by sector:

- 55% information and communications technology
- 22.5% advanced manufacturing
- 11.25% business financial services
- 11.25% medtech

- Approximately 357 jobs created

6 foreign direct investments
3 local expansion investments

54 deals in our pipeline (at the end of Q2 2019) with an estimated value of $2 billion

INVESTMENT BY STAGE

- $1,911,794,443 (90.9%)
- $180,452,607 (9.1%)
- $10,046,196 (0.5%)

2 opportunities in ‘Forecast’ stage with an estimated value of $10 million

6 outbound and 21 inbound missions

Outbound missions:
Toronto, New York, Boston, California, the United Kingdom and Germany
FOREIGN DIRECT INVESTMENT

In Q2, the Waterloo EDC team closed nine new investment attraction and retention opportunities. These deals were in multiple sectors – including information and communications technology, medtech and advanced manufacturing – and brought $151.6 million of investment to Waterloo Region, along with approximately 357 new jobs. The investment pipeline continues to grow, with 54 potential opportunities valued at more than $2 billion, including two deals in the forecast with an estimated investment value of $10 million.

Waterloo EDC led six outbound missions this quarter, including stops in each of our core markets – California, Boston/New York, the United Kingdom and Germany – and a full-team mission to the Collision Conference in Toronto.

At Collision, the Waterloo EDC team held more than 17 meetings with potential investors over just three days. At the end of the conference, Waterloo EDC – in partnership with provincial and federal partners – brought two busloads full of potential investors to Waterloo on a tour that stopped at some of the region’s top tech innovation assets, including Communitech, Velocity and the University of Waterloo.

In the United Kingdom, two members of the Waterloo EDC team attended the AI Summit, which included events, investment prospect meetings and attendance at the Invest in Canada booth.

In total, Waterloo EDC held more than 44 meetings with potential investors through outbound missions in the second quarter.

The team hosted 21 inbound missions in Q2, including potential investors from German artificial intelligence (AI) companies, major automotive suppliers, tech companies and more. Many inbound missions this quarter consisted of a large group tour that introduced multiple companies to the Waterloo ecosystem.

After significant effort over the last year, on June 27th Waterloo EDC was very pleased to announce $3 million in new funding from FedDev Ontario, the federal agency tasked with supporting innovation and economic growth in southern Ontario. This new funding has already begun supporting numerous FDI initiatives, including expanding our efforts in core markets and building stronger internal lead generation capacity. This funding also allowed Waterloo EDC to increase its FDI capacity by hiring three new full-time staff, include a Senior Business Development Advisor, a Lead Development Specialist and a Business Development Advisor.
LOCAL BUSINESS RETENTION AND EXPANSION

Waterloo EDC continued to focus on helping companies expand, building strong relationships with local business support organizations and advocating on behalf of the community.

Altogether this quarter, the Waterloo EDC team held 14 potential business expansion meetings with local companies in sectors that include technology, manufacturing and finance. These meetings included discussions about future growth plans, talent attraction and real estate opportunities.

In Q2, we continued to collaborate with our local Chambers of Commerce to promote local business growth and excellence, including sponsoring the Manufacturing Summit and attending several roundtable events featuring government representatives including Ontario Cabinet Members Vic Fedeli, Peter Bethlenfalvy and Todd Smith.

Our team also presented at or participated in 47 events, including the CBRE Market Outlook Breakfast, the Manufacturing Summit, OCE Discovery Day, NGen Project Pitch Day, the launch of the ION LRT and the Collision Conference. Waterloo EDC also attended numerous business-organized events, including North’s Focals pop-up event, EY’s Life Sciences and Medtech Forum and Manulife’s Restaurant Takeover.

Finally, Waterloo EDC played a key role in two local announcements – the opening of LEONI Elocab’s new expansion and Insticator’s launch at Workplace One – and attended Toyota’s announcement of new NX and NX hybrid production lines at its Cambridge plant, which was great news for advanced manufacturing in Waterloo Region.
INVESTMENT MARKETING AND AWARENESS

During the second quarter, Waterloo EDC continued to focus on strengthening our marketing automation capability and inbound marketing efforts, while also building awareness of Waterloo’s ecosystem through event marketing and targeted digital advertising.

Since April 1, Waterloo EDC has published 28 blog posts in a wide array of formats, including explainers, news stories and Q&As with local leaders. The subject matter has touched on Waterloo’s AI and autotech ecosystems, local business news, corporate innovation, H-1B visas and co-operative education. As a result, Waterloo EDC’s organic traffic and new contact form submissions continue to increase at a steady rate.

A major focus for Q2 was in leveraging events – business events, missions and conferences – to grow awareness of the Waterloo ecosystem and build upon our lead generation efforts. For example, the Waterloo EDC team organized digital marketing campaigns – including custom content and digital advertising – around the Collision Conference, AI Summit and True North, as well as investment and expansion announcements from Insticator and LEONI Elocab.

At Collision, the team worked with partners at Invest in Canada to organize four local investment announcements featuring Insticator, myKaarma, Enlighted and Matera. Each announcement was supported via social media, as with other Waterloo-centric activities over the four day event, including the innovation ecosystem tour.

We also worked with Wilfrid Laurier University’s Lazaridis Institute to organize a panel session at Collision on scaling businesses that featured Waterloo-based companies Vidyard and Faire, and a participant in the current cohort of the Lazaridis Institute’s ScaleUp Program, Sheertex. The room was at capacity for this event, with approximately 100 tech business representatives in attendance.

In Q2, we saw substantial growth in key measures compared to the same period in 2018.

The strong growth in all key metrics above is due to the success of Waterloo EDC’s in-market efforts at conference and trade shows and an increased focus on social media marketing over the previous year. The investment in an improved web presence was aimed at increasing traffic and engagement and these numbers demonstrate that project’s direct impact.
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, integrity, accountable, results-focused.

2019 BUSINESS PLAN: THREE STRATEGIC PILLARS

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