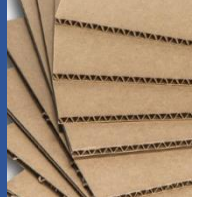


A Snapshot of Current Company Activity - Fourth Quarter 2018

Cut to the Chase



Welcome to the first edition of 'Cut to the Chase', our way of sharing information regarding our comprehensive product lines from Young Shin USA Limited, STOCK Maschinenbau and Cartostrip.

It's been a very exciting year as we round into Fourth Quarter 2018. U.S. economic conditions have propelled businesses to invest in both people and equipment -- at a pace we haven't seen in decades. The tax cut offered to businesses and individuals has added fuel to the economic fire and Second Quarter 2018 GDP (Gross Domestic Product) was reported at an astonishing 4.2%.

We owe our ability to be successful during this active economic cycle to our sales and service teams. From Vancouver to Orlando, Mexico to New Jersey, we have responded to our clients' installation schedules, training requirements, and parts and support needs. We're looking forward to maintaining this pace and servicing the clients that have trusted and invested in the Young Shin and STOCK product lines going forward.

The Fall of each year is typically a busy tradeshow season. Young Shin and STOCK will be showcased at the upcoming CorrExpo 2018 at the Indianapolis Convention Center from September 24th through the 27th followed by our presence at PRINT 18 to be held at Chicago's McCormick Place from September 30th through October 2nd. We are also busy planning for SuperCorr 2020 to be held in Orlando in September 2020. Although that seems far in the future, a show of that magnitude requires advanced coordination from both Young Shin Industries' headquarters in South Korea and STOCK's headquarters in Germany.

We look forward to sharing regular updates with you in 'Cut to the Chase' and hope this first issue is both enlightening and enjoyable.

Phil Mack
Young Shin USA Limited / STOCK

The U.S. Economy

A Snapshot of Prosperity and Growth

The U.S. tax reform package that was passed by Congress in 2017 has laid down a solid foundation for economic growth. Consumer and small business confidence have both reached their highest levels in over a decade, while wages are growing, and the unemployment rate clocked in at an 18-year low.

Employment -- Total nonfarm payroll employment rose by 157,000 in July, edging the unemployment rate down to 3.9% according to the U.S. Bureau of Labor Statistics. In fact, over the past 12 months, manufacturing has added 327,000 jobs.

GDP -- The good economic news is channeling positive activity for businesses and consumers alike. This year's annual GDP is anticipated to be 2.9% compared to the 2.3% uptick in 2017. Tax cuts are boosting GDP through growing consumer spending and stronger business investment. Higher wages, expanding household income, job gains and credit utilization are also underpinning consumer spending. Improving business profitability should also generate greater capital spending.

Inflation -- The forecast for 2018's inflation rate currently stands at 2.4%. That's up just slightly from the 2.1% increase in 2017.

Business Spending -- Expanded business tax breaks this year have resulted in a sizable 7% increase in business spending in 2018.

Retail Sales -- Consumers are more certain of today's economy and retail sales mirror that confidence. This year, retail sales are projected to grow by 5.1% spurring continued growth in the corrugated, folding carton and display makers/printing industries.

The forecast in 2019 and beyond remains positive and the restoration of the strength of the U.S. economy will fortify our nation, our businesses and our citizens into the foreseeable future.

In This Issue

Welcome Message
The U.S. Economy

Young Shin / STOCK Recent Sales
Trends in the Corrugated Industry

Young Shin / STOCK Recent Sales

Significant thanks are extended to the outstanding efforts of our sales and service teams that has resulted in the following impressive list of recent installations throughout our North American markets.

Toronto, Canada	STOCK 205 Combinator
Toronto, Canada	STOCK LLM/HP
Vancouver, Canada	STOCK LLM/HP
Brookfield, WI	STOCK LLM/HP (2 nd Machine)
Toronto, Canada	Giant 250SII
Charlotte, NC	Giant 210 with EZ Feeder
Dallas, TX	Two (2) Cartostrips
Jamestown, NY	STOCK LLM/HP
St. Louis, MO	Zenith 210 PLUS
León, Mexico	Giant 210SII with EZ Feeder
Elwood Park, NJ	Zenith 210 PLUS
Pittsfield, MA	Revotec 1040FS
Andover, NJ	Giant 170SII with EZ Feeder
Orlando, FL	Revotec 1040S



Trends in the Corrugated Industry

At Young Shin USA / STOCK, we offer a wide variety of products for the corrugated industry including flatbed diecutters, labelers, laminators, single-face sheeters and in-line systems. Due to our focus on this important segment of the market, understanding new corrugated packaging trends for this year and into 2019 helps our team better serve these important prospects and clients.

Corrugated packaging is the first choice for many companies due to its high-quality, strength and moisture protection traits. It's also one of the most sustainable packaging solutions in the market. The following are trends that have surfaced in 2018:

- Digital Printing Explodes** -- Digital printing is making significant inroads in both display packaging and retail-ready applications. This market is expected to grow to \$126 billion in 2021, increasing from \$100 billion in 2015.
- Recycled/Biodegradable Corrugated Packaging** -- Corrugated packaging manufacturers are focused on corrugated packages made of recyclable and biodegradable material responding to consumer demands and reducing global product waste.
- Personalized Corrugated Packaging** -- Brands are now making use of packaging materials that further their brand awareness and advertising efforts. Personalized corrugated packaging offers custom and visible marketing messages to consumers.
- Corrugated Packaging for the E-Commerce Marketplace** -- There is a reported 23% **annual** growth in online shopping causing the growth of proper shipping packaging to skyrocket.
- Corrugated Packaging for Premium Products** -- Corrugated packaging's high-quality protects products from damage including expensive consumer products like jewelry, perfumes, and gift boxes even in the most intensive shipping conditions.
- Lightweight Corrugated Packaging** -- Consumers (and businesses) abhor waste resulting in the growing popularity of using lighter weight boards for more cost-effective and lower-impact environmental packaging.
- Corrugated Point-of-Sale Displays** -- Using different types of corrugated point-of-sale displays such as counter displays, sidekick displays, floor displays, endcap displays, and pallet displays is growing offering higher visibility at a relatively lower cost that can be easily personalized for any brand and be assembled anywhere.



The global market for corrugated and paperboard boxes is anticipated to grow at a compound annual growth rate of approximately 4% through 2023. Continued growth in markets such as food/beverage, personal care, pharmaceuticals and healthcare, electronics, and consumer goods will be the catalyst to propel the continued expansion of this exciting industry.