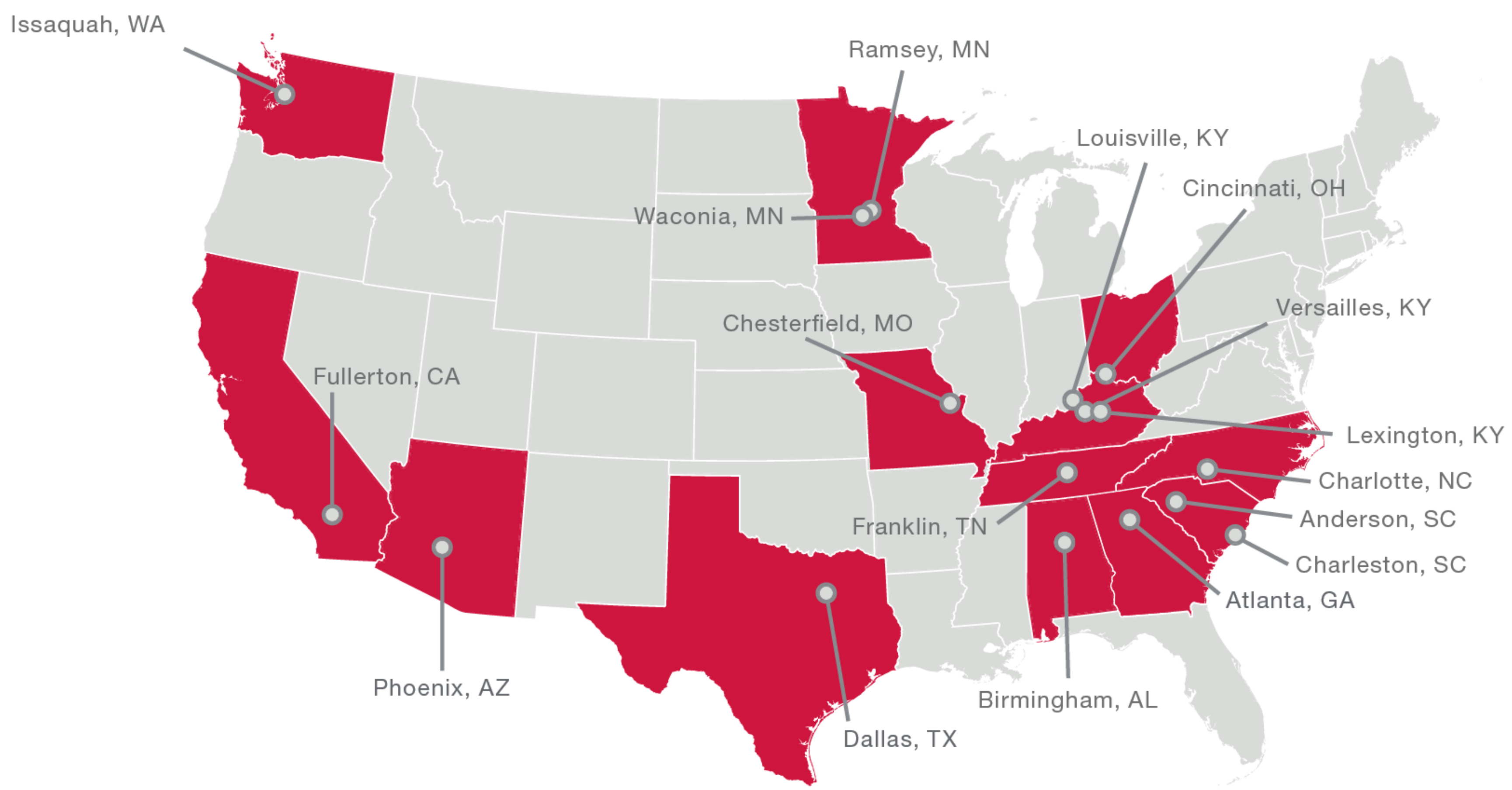
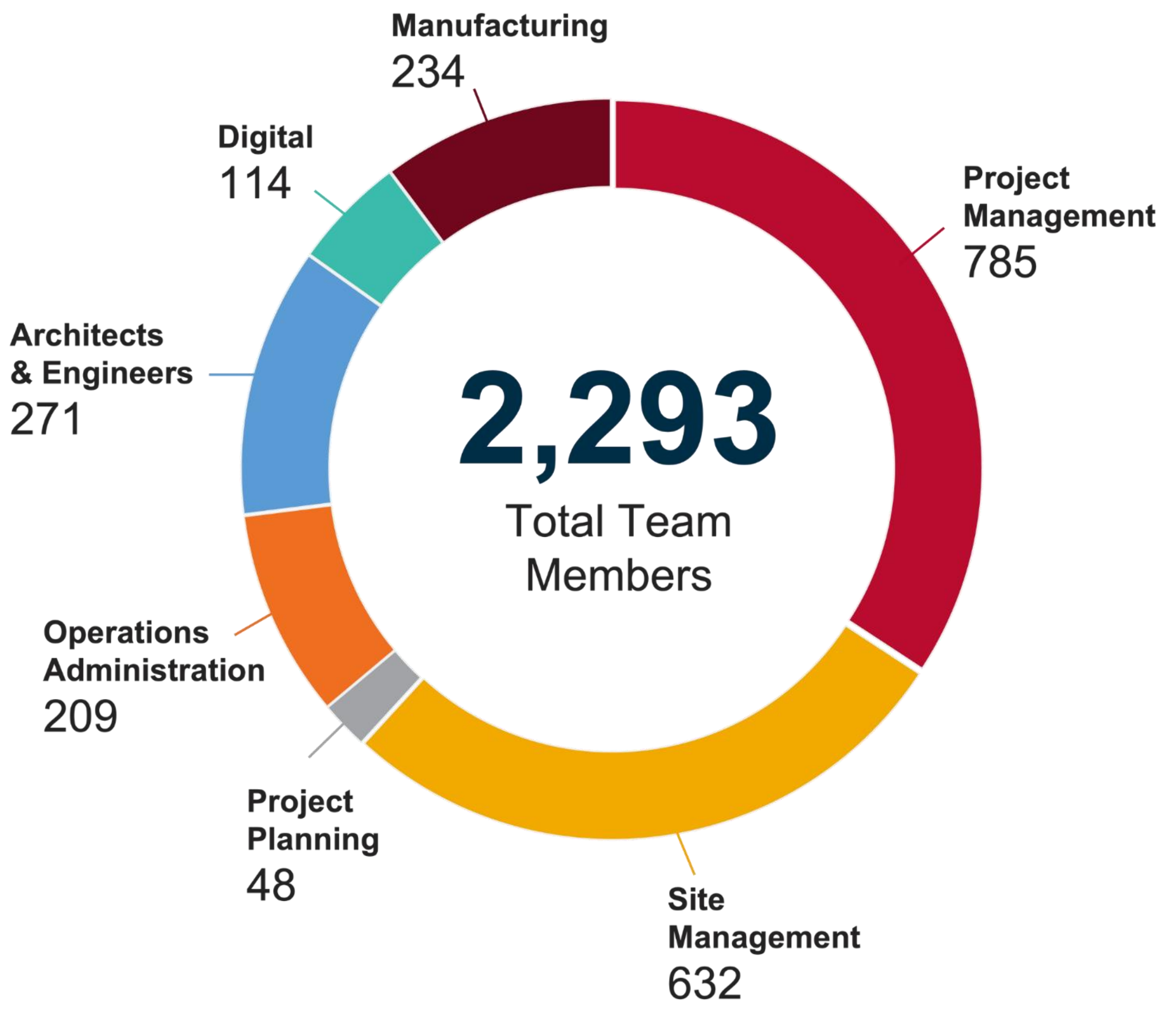
2026 ECG Economic Development Summit – State of the Industry

Gray

Office Locations & Team





15 U.S. Office Locations

2 Equipment Skid Fabrication & Manufacturing Facilities

United States:

Birmingham, AL
Phoenix, AZ
Fullerton, CA
Atlanta, GA
Lexington, KY
Louisville, KY
Versailles, KY
Ramsey, MN
Waconia, MN
Chesterfield, MO
Charlotte, NC
Cincinnati, OH
Anderson, SC
Charleston, SC
Franklin, TN
Dallas, TX
Issaquah, WA

Europe:
Graz, Austria

Canada:
Edmonton, AB

Japan:
Yokohama, Kanagawa

Gray's **Integrated** Services Offerings

STRATEGY	ENGINEERING	DESIGN	BUILD
Conceptual Designs	Process Engineering	Pre-Construction	Safety Management
Block Flow Process Design	Utility Design	Civil Engineering	Project Management
Proof of Concept	Automated Material Handling Systems	Structural Engineering	Site Management
Business Case Planning & Validation	Equipment Specifications & Design	Architectural Design	Equipment Procurement
Master Planning	Controls, Automation & Information System Integration	Mechanical Engineering	Facility Construction
Site Evaluation / Analysis		Refrigeration Engineering	Equipment Installation
Utility Evaluation		Electrical Engineering	Schedule Management
		BIM & Virtual Design	Self-Perform Concrete
			Self-Perform Millwright
			Self-Perform Steel Erection

Atlanta, GA
Regional Office Location

45
Years working in the state

300+
Local Team Members

70+
Projects Completed in GA

20M+ S.F.
Total Number of Project Space

$3.7B+
Total (Construction) Project Value

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Qcells
Integrated PV Manufacturing Facility
Cartersville, GA | 2,500,000 s.f.

Aurubis
Copper Smelting Facility
Augusta, GA | 250,530 s.f.

Yakult
Probiotics Facility
Cartersville, GA | 270,000 s.f.

Voestalpine
Automotive Stamping Facility
White, GA | 85,268 s.f.

Caterpillar
Equipment Manufacturing Facility
Athens, GA | 820,300 s.f.

Kubota
RTV Manufacturing Facility
Gainesville, GA | 500,000 s.f.

Gulfstream
Aviation Paint Hangar
Savannah, GA | 72,562 s.f.

NewCold
Advanced Food Logistics Facility
McDonough, GA | 442,930 s.f.

LG Hausys
Stone Countertop Facility
Adairsville, GA | 205,804 s.f.

Current
Active Projects

MARKETS

- Food & Beverage
- Data Centers
- Manufacturing
- Distribution & Commercial
- Advanced Technology

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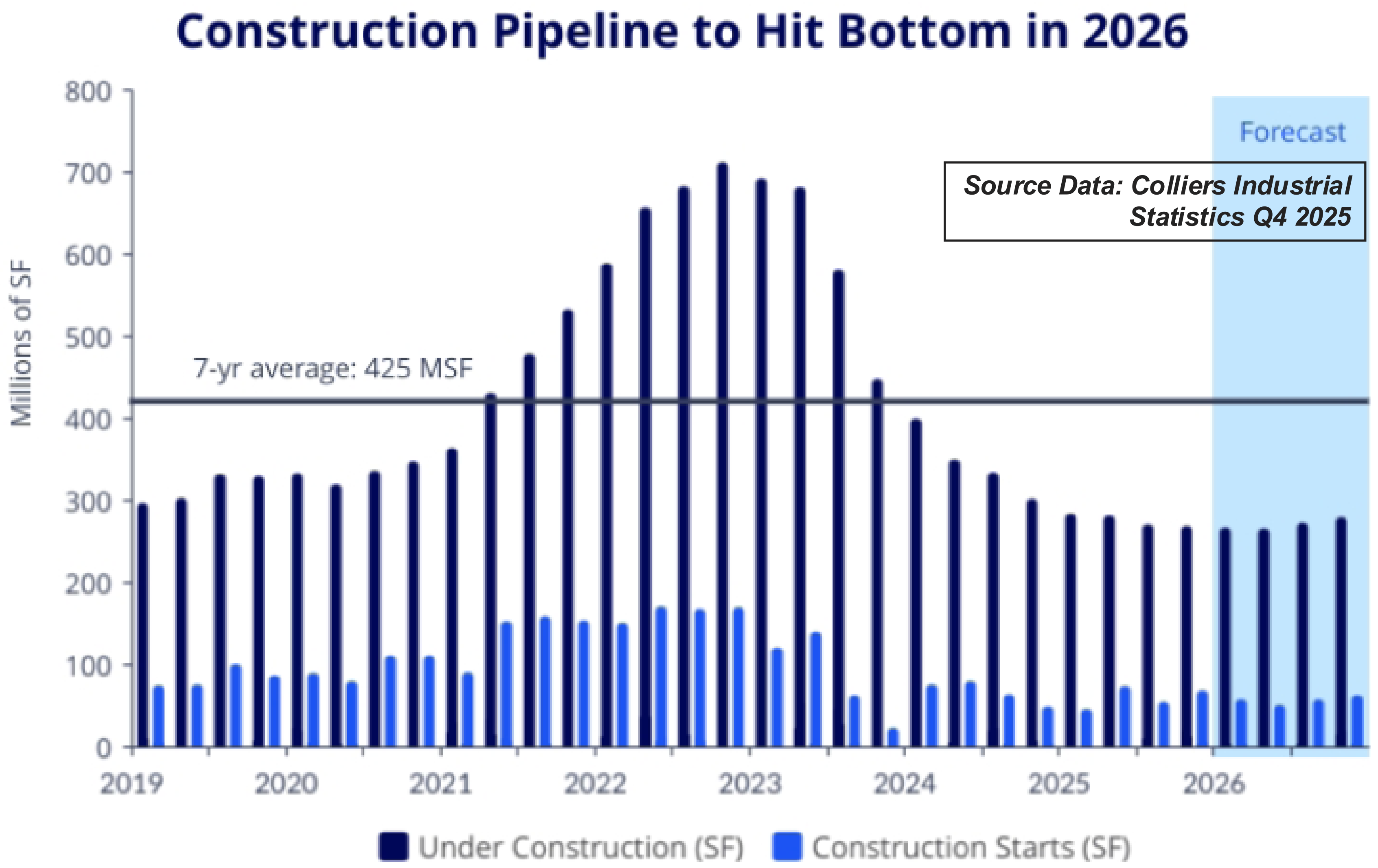
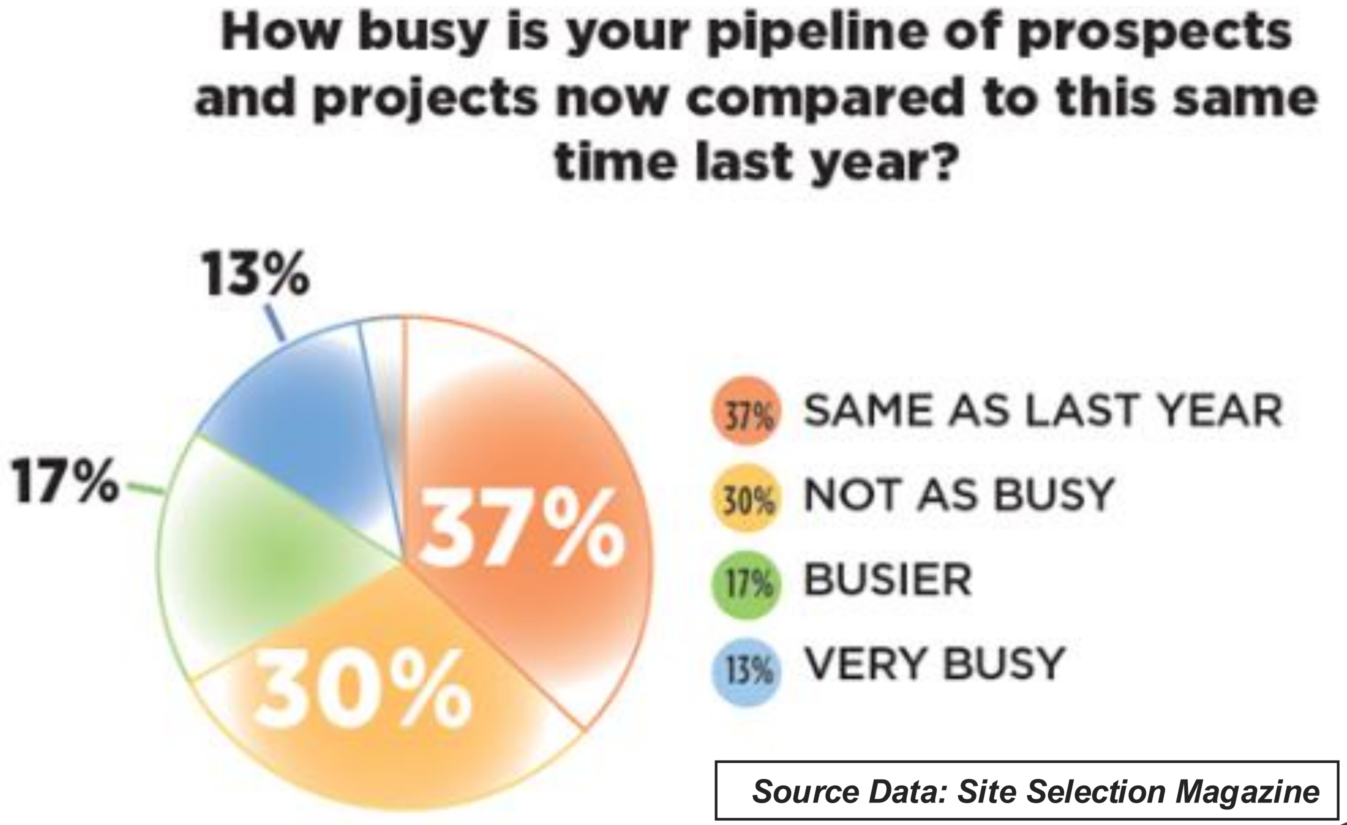
State of the Industry.

Industrial Construction Pipeline

- Total industrial construction fell to 270M SF 2nd Half 2025
  - Lowest level since 2018
  - 62% decrease from 2022 peak of 711M SF
  - Anticipates bottoming out at ~260M SF next several quarters
  - 40% = BTS 60% = Speculative
    - Pre-Covid: 30/70
- Construction Activity fell YoY in 16 of 25 largest tracked markets
  - PHX steepest decline: 26.2M SF to 11.4M SF
- Manufacturing Construction saw ~$35B in planned or announced projects delay or cancel in 2025 (~$8B 4Q25)
- Total construction starts fell 20.5% in November 2025, largely due to fewer $1B+ megaproject launches
- Economic growth is expected to be below potential = sizable downside risk in the near term for construction activity
  - Consumer spending: 2024 – 2.8%; 2025 – 2.1%; *2026 – 1.1%



Source Data: Colliers Industrial Statistics Q4 2025



Source Data: Site Selection Magazine

Sector Outlooks

Sector Outlook: Advanced Technology

Market Trends

Emerging

BESS
PCB / Microelectronics
AI Components

Stabilizing

Energy Storage Systems
Semiconductor Suppliers

Declining

Mega Projects (Non-Fab)
EV Battery Assembly
Solar

Confidential Customer
Pacific Northwest | 300,000 s.f.

MGC Ultra-Pure Gases Facility
Mesa, AZ | 60,000 s.f.

Market Threats

Power Infrastructure Resources
Softening Market for EV
Cost of Capital
Federal Policy Shift

Market Optimism

Long term utility investments
Modernization of Defense Capabilities
Expanding verticals – spec chem, microelectronics
AI Boom and Value Chain Needs
Domestic Manufacturing Resurgence

Segment Spotlight: Microelectronics

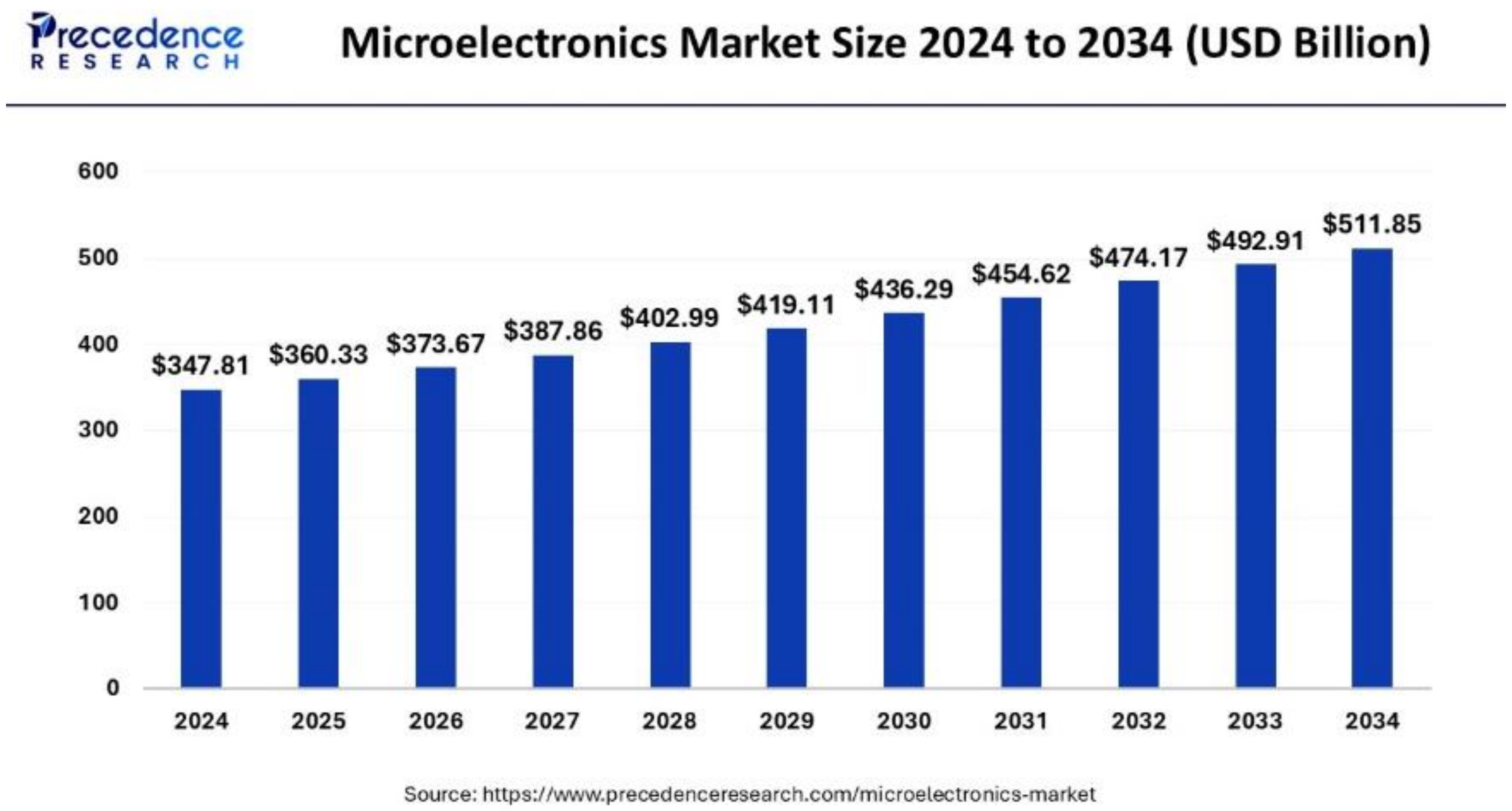
Downstream ME (packaging, substrates, PCBs, EMS) will generate more buildable US projects than new fabs.

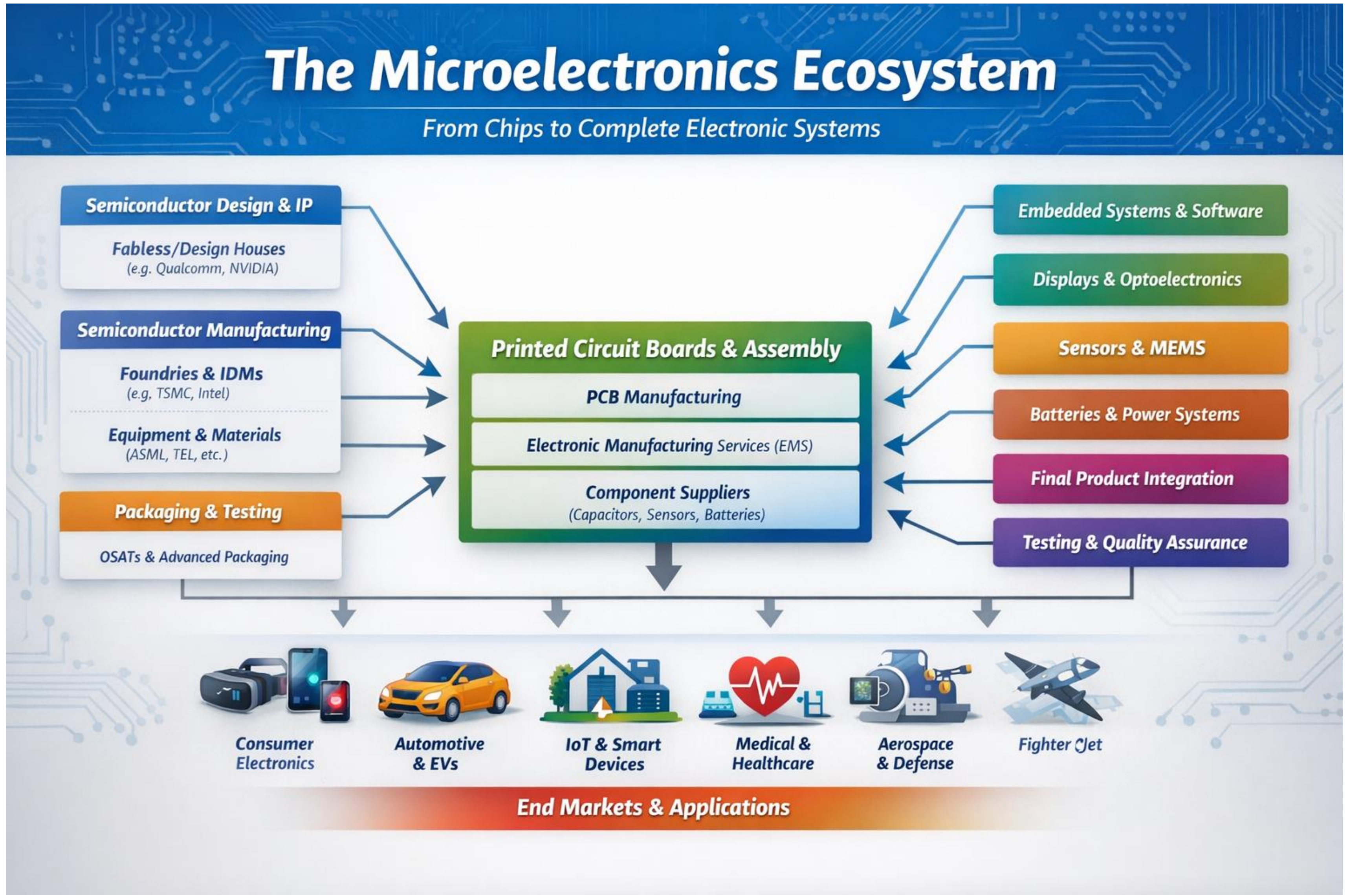
- OEM localization pressures are driving investment **after** the semiconductor fabrication stage.

Automotive, defense, and industrial OEMs are now the gravitational centers of the ecosystem.

- MEMS, power electronics, embedded systems are likely project types for 2026-2028

Cluster Momentum is Real. Suppliers are following the anchor projects into known geographies.



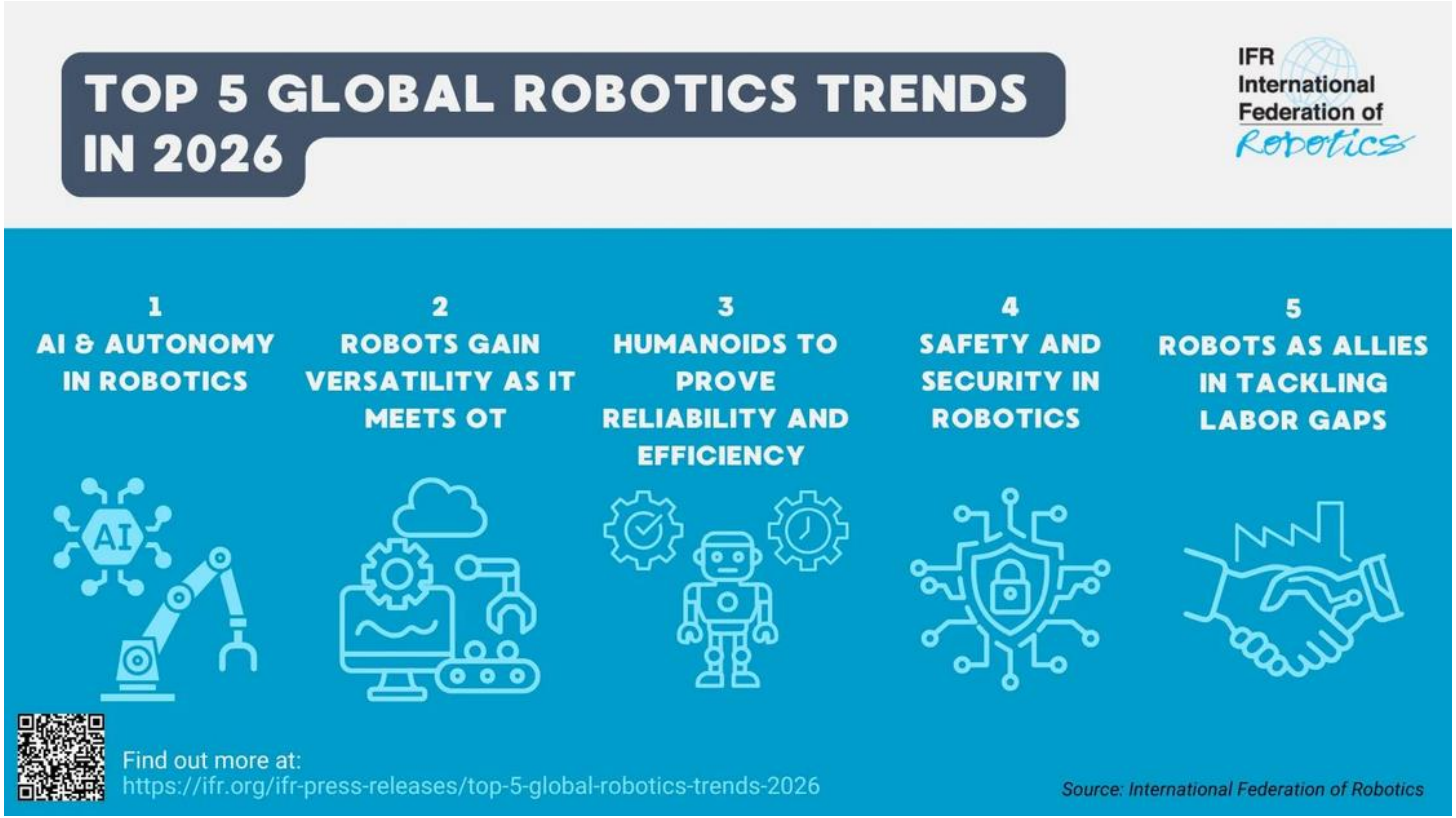


AMD TCL

JABIL ASML

NXP FOXCONN®

Segment Spotlight: Robotics



Boston Scientific

BEDROCK

YASKAWA

FANUC

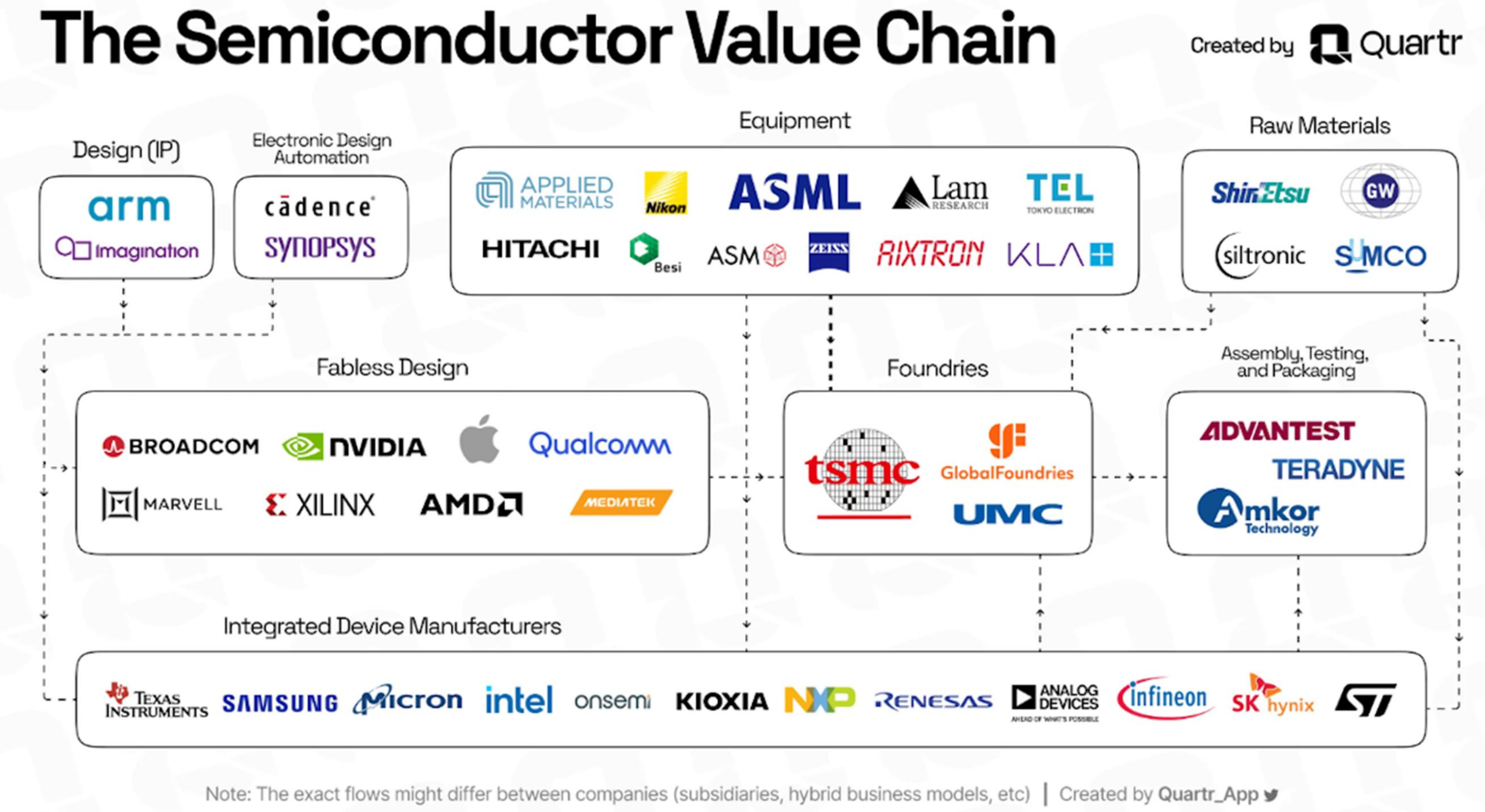
KUKA

Kawasaki

Rockwell Automation

Honeywell

Segment Spotlight: Semiconductor



Sector Outlook: Data Centers

Market Trends

Emerging

AI Deployments
On-site Generation
Program Awards
SCALE

Stabilizing

Cloud Compute DC's
Edge Compute DC's

Declining

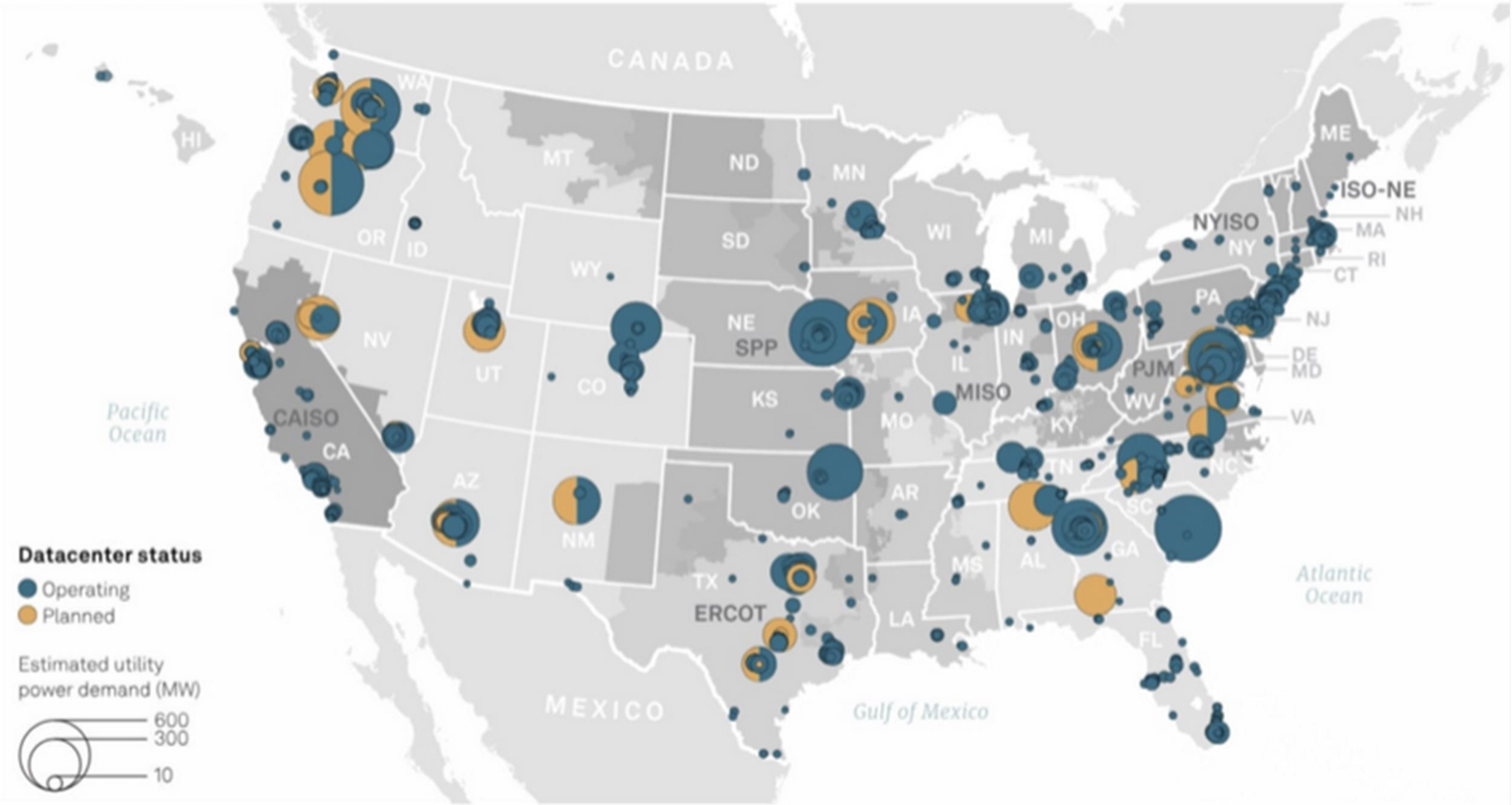
Stand-alone Enterprise Data Centers (IT Rooms)

Market Threats

Power & Water Availability
Rising Operational Costs
Supply Chain & Component Bottlenecks
Community & Permitting Opposition

Market Optimism

AI Consumer Demand (Personal & Business)
Density Retooling
Abundance of Capex



Sources: S&P Global Market Intelligence; 451 Research; S&P Global Commodity Insights

What's Constraining Data Center Development Heading into 2026

Across major 2026 outlooks, power and delivery timelines emerge as the dominant constraints shaping where data center projects can realistically move forward

Constraint	Relative Importance (Index)
Power availability / interconnection timelines	100
Grid upgrade requirements	92
Construction cost escalation	78
Permitting and entitlement timelines	74
Land availability in core markets	56
Community / political opposition	48
Labor availability	41
Incentive availability	29

Indexed ranking based on emphasis across major brokerage outlooks; not a survey

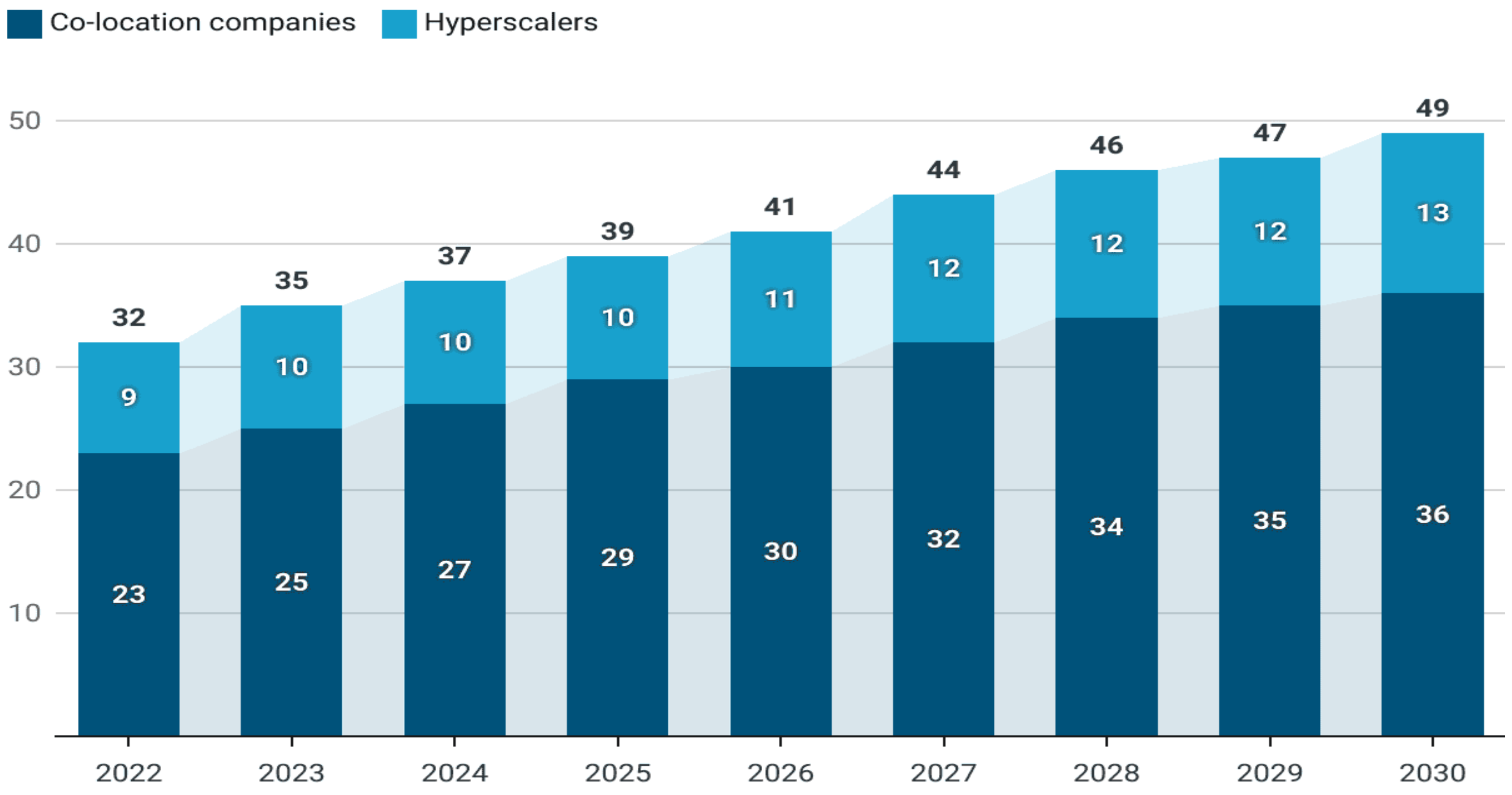
Source: JLL 2026 Global Data Center Outlook; CBRE U.S. Real Estate Market Outlook 2026 – Data Centers; Cushman & Wakefield Americas Data Center Update; Colliers 2026 Global Investor Outlook • Created with Datawrapper

<u>Top Concerns for Companies</u>:

- Design Flexibility (Power, Cooling, TI Retooling)
- Supply Chain & Construction Delays
- Securing Power (reliable)
- Modular implementation

Global Data Center Construction Spending

Spending in USD billion

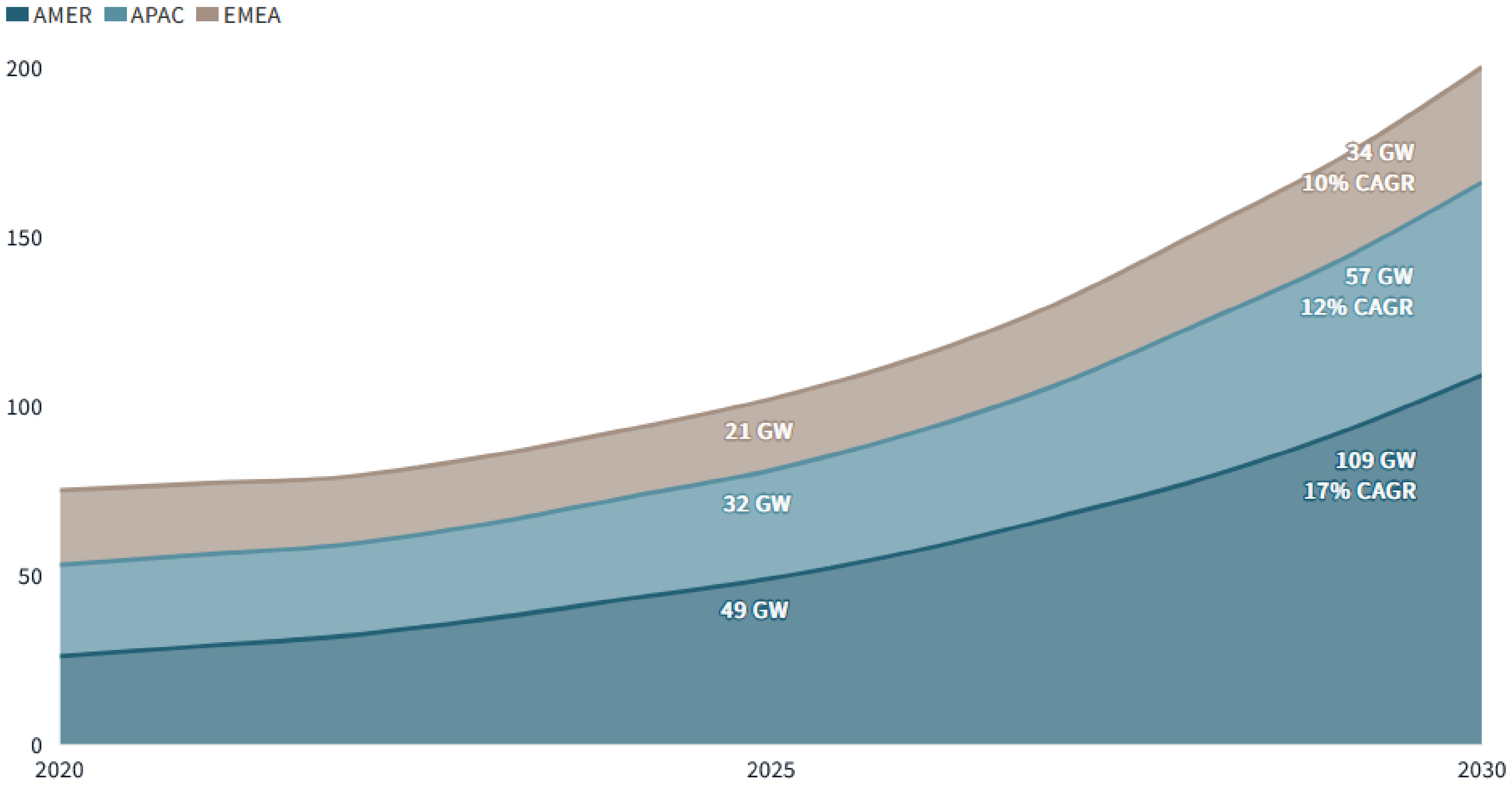


(Spending in USD billion)

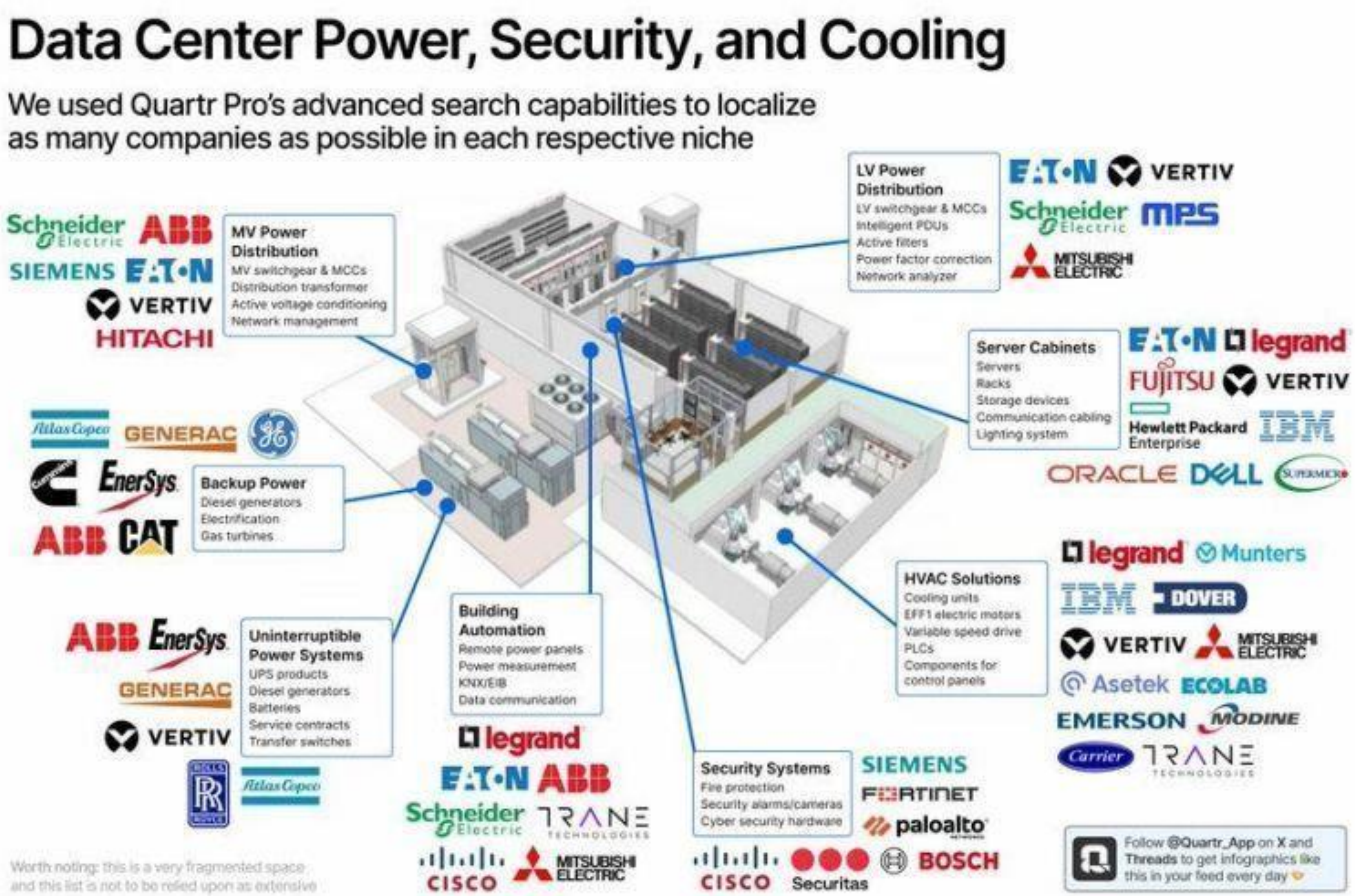
Source: Market.us Scoop

Nearly 100 GW of new data centers will be added between 2025 and 2030, doubling global capacity

Global supply forecast by region (GW)



Source: JLL Research, 2025 • Supply totals include colocation, build-to-suit, hyperscale owner-occupied and on-prem


Data Center Power, Security, and Cooling
We used Quartr Pro's advanced search capabilities to localize as many companies as possible in each respective niche
MV Power Distribution
MV switchgear & MCCs
Distribution transformer
Active voltage conditioning
Network management
Schneider Electric
ABB
SIEMENS
EATON
VERTIV
HITACHI
LV Power Distribution
LV switchgear & MCCs
Intelligent PDUs
Active filters
Power factor correction
Network analyzer
EATON
VERTIV
Schneider Electric
MPS
MITSUBISHI ELECTRIC
Server Cabinets
Servers
Racks
Storage devices
Communication cabling
Lighting system
EATON
legrand
FUJITSU
VERTIV
Hewlett Packard Enterprise
IBM
ORACLE
DELL
SUPERMICRO
Backup Power
Diesel generators
Electrification
Gas turbines
Atlas Copco
GENERAC
EnerSys
ABB
CAT
Uninterruptible Power Systems
UPS products
Diesel generators
Batteries
Service contracts
Transfer switches
ABB
EnerSys
GENERAC
VERTIV
Atlas Copco
Building Automation
Remote power panels
Power measurement
KNX/EIB
Data communication
legrand
EATON
ABB
Schneider Electric
TRANE TECHNOLOGIES
CISCO
MITSUBISHI ELECTRIC
Security Systems
Fire protection
Security alarms/cameras
Cyber security hardware
SIEMENS
FORTINET
paloalto
CISCO
Securitas
BOSCH
HVAC Solutions
Cooling units
EFF1 electric motors
Variable speed drive
PLCs
Components for control panels
legrand
Munters
IBM
DOVER
VERTIV
MITSUBISHI ELECTRIC
Asetek
ECOLAB
EMERSON
MODINE
Carrier
TRANE TECHNOLOGIES
Worth noting: this is a very fragmented space and this list is not to be relied upon as extensive
Follow @Quartr_App on X and Threads to get infographics like this in your feed every day

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Sector Outlook: Food & Beverage

Market Trends

Emerging

Asian Foods
Flavorings & Ingredients
Artisanal/Private Label Products
Co-Man Capacity Needs

Stabilizing

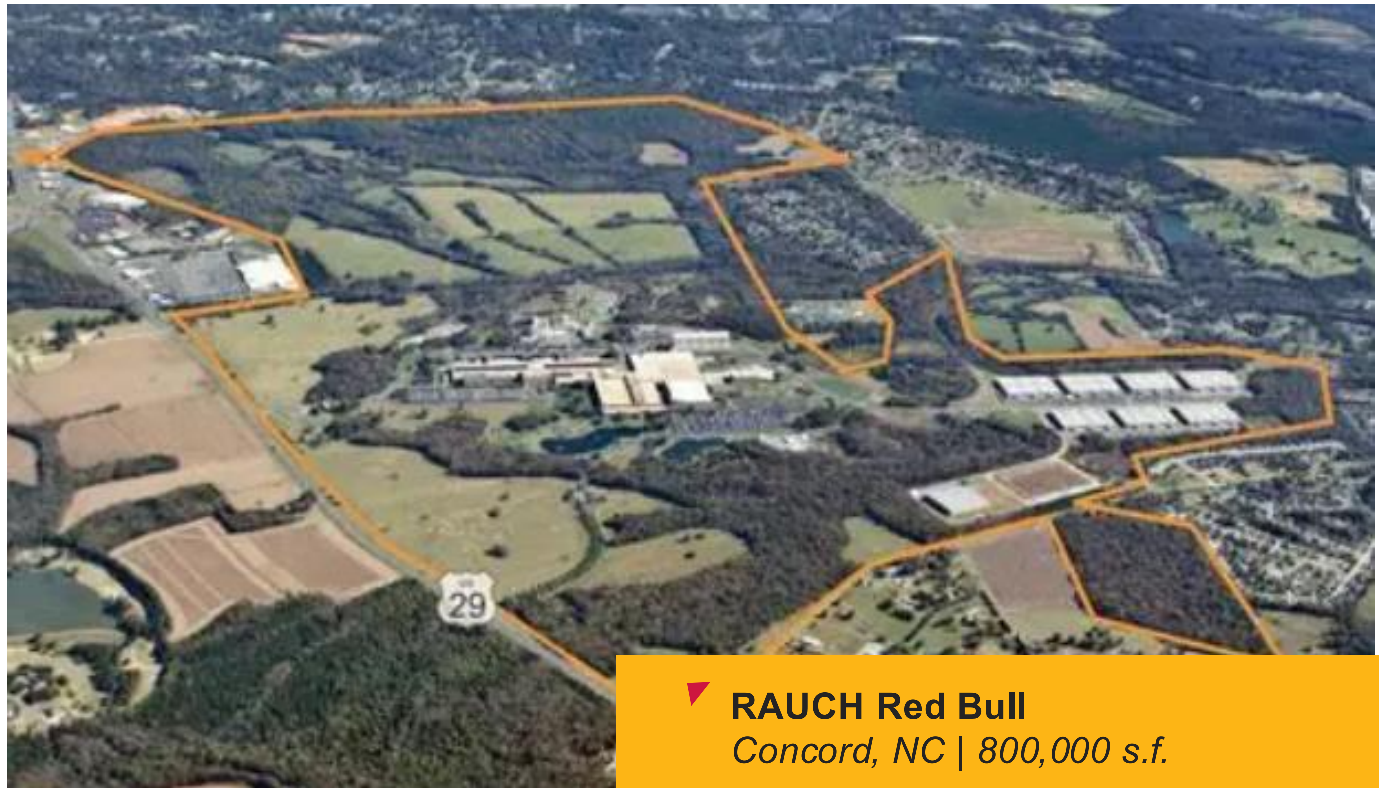
Protein
Bakery/Snacks
Confectionery
Beverage

Declining

Distilled Spirits

Pet Food

Yakult U.S.A., Inc.
White, GA | 250,000 s.f.



RAUCH Red Bull
Concord, NC | 800,000 s.f.

Market Threats

Razor-Thin Profit Margins

Construction Costs

Delayed Decision Making

Tariffs

Lack of Speed to Market Demand

Market Optimism

Private Label Momentum

Organics + Premium Wellness

Outdated facilities and equipment

Network optimization

Food Production

3/12	12/12
1.8% B	1.6% B

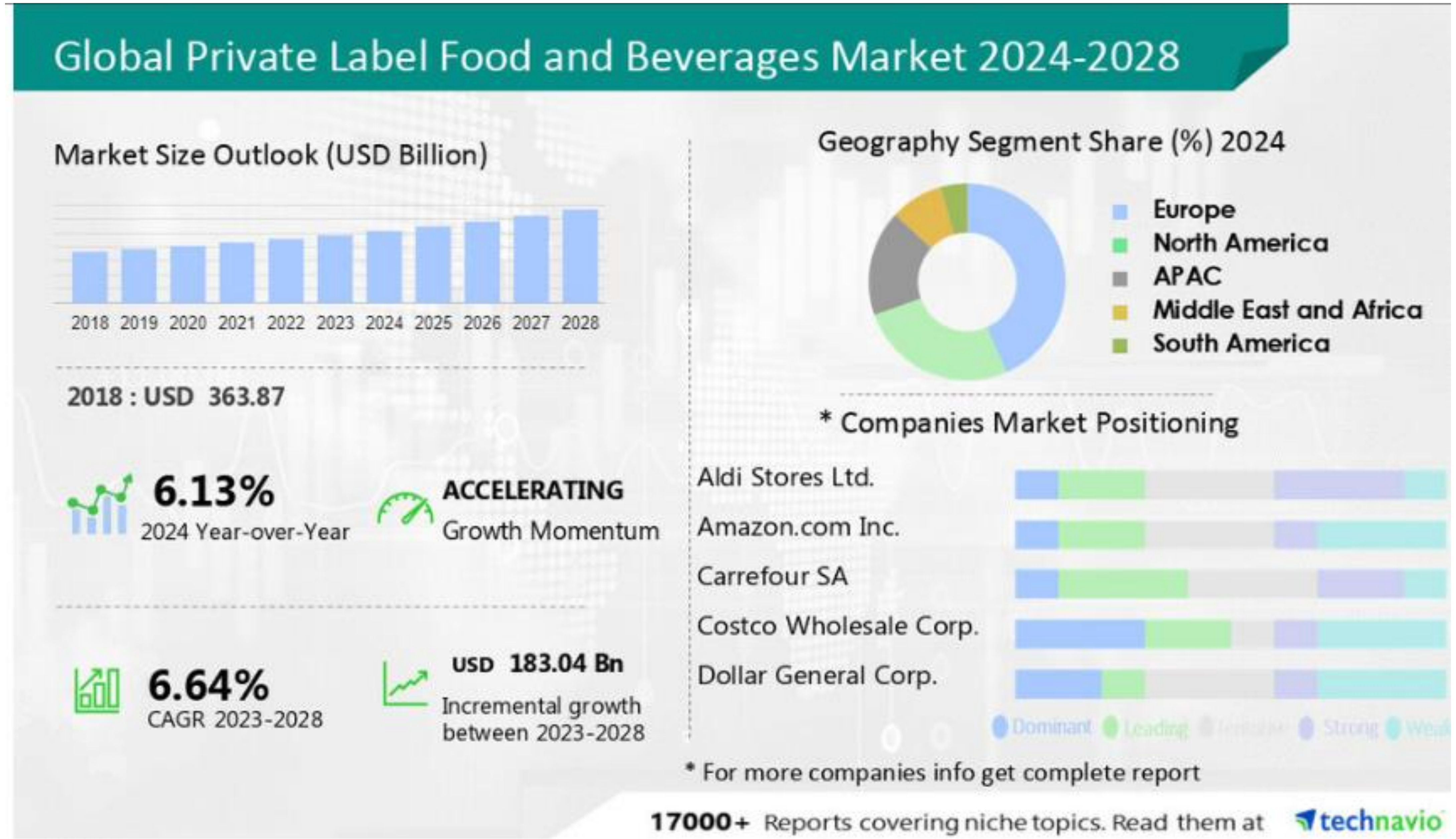
Margins	6.9%	Trend is negative	3MMA ^ 2023 27.3%	12MMA 2025 ^ 23.6%
Profits	6.9%	Trend is negative	3MMA down 11.1% y-o-y	Dec '21 ^8.7%
Growth	Dec 2025 12MMA is a record high		0.1% above 2022 ^	
Forecast	2026 -0.1%		2027 0.4%	

^ signifies record high * means record low

Source: *ITR Economics*

Segment Spotlight: Private Label

- 2025 tariffs (10% base; up to 125% on some Chinese goods) reshaped private label supply chains.
- ~70% of U.S. manufacturers are moving production closer to home.
- Domestic sourcing = more stable costs, faster lead times, better quality control, and “Made in USA” appeal.
- 2026 trend: mixed sourcing — domestic for key items, overseas where cost matters most.
- Major global brands looking to preserve capital = increase demand at Co-Man levels



RICH'S® TreeHouse FOODS Premium Brands bettergoods Monogram foods Flowers FOODS

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Segment Spotlight: Life Sciences

Market Trends

Emerging
Cell therapies
Gene editing
Synthetic biology
AI drug discovery

Stabilizing
mRNA platforms
Biosimilars

Declining
Small-molecule generics
Blockbuster pharma
Mass-market diagnostics

Market Threats
Capex freezes
Announcements vs. Implementation
Overbuilt labs
Cost escalation
Tenant defaults

Market Optimism
cGMP expansion
Cell-therapy facilities
Modular cleanrooms
Retrofit demand
Biomanufacturing reshoring

Sector Update: Manufacturing

Market Trends

Emerging

Defense
Electric Infrastructure Products
Chemical

Stabilizing

Automotive
Metals
Pulp / Paper
Building Products

Declining

Solar
Mega Projects

Market Threats

Green Vehicle Mandate Reversal
Softening Market
Consumer Spending Shifts
Geopolitical Instability

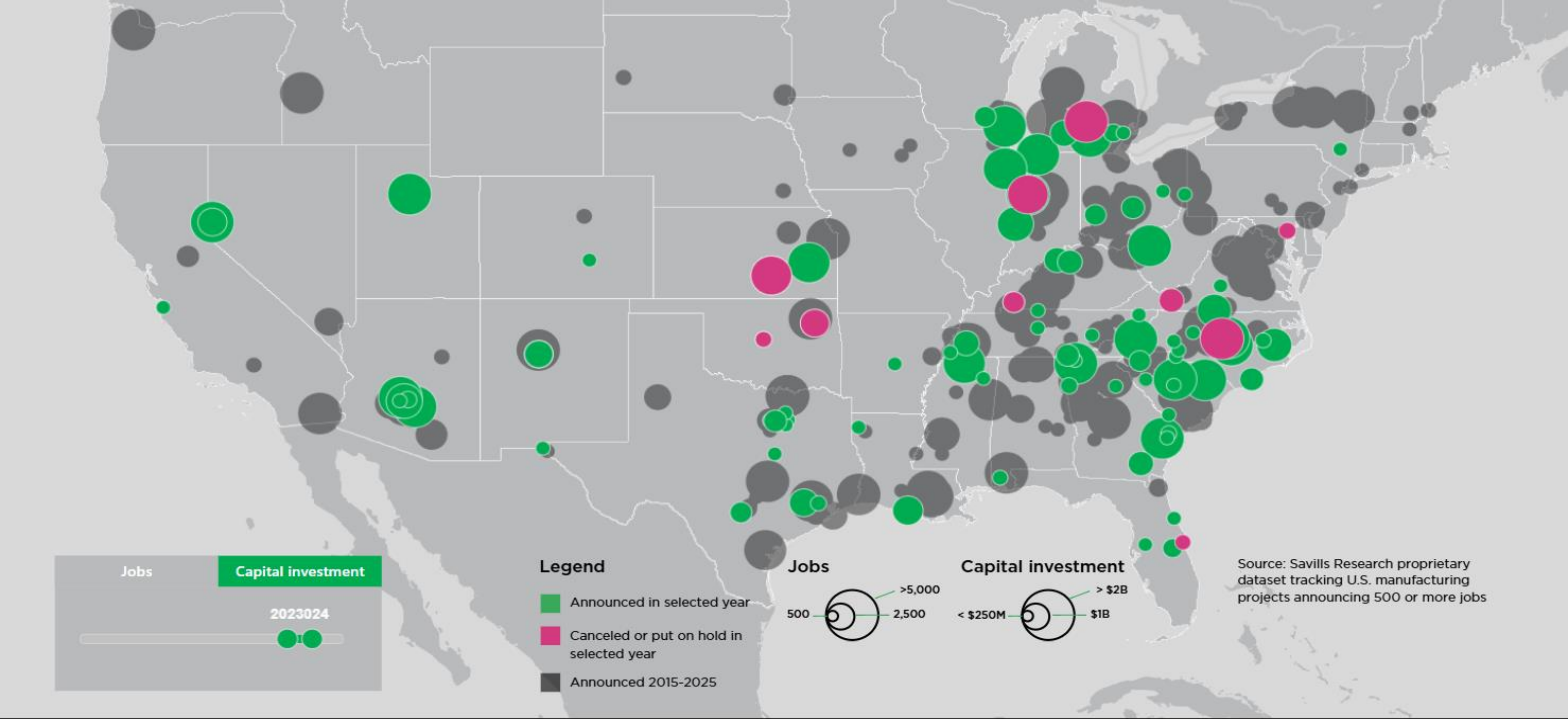
Market Optimism

Pre-Covid Project Profile Mix
Smart Technology Adoption
PMI Expansion
AI Boom

U.S. manufacturing job announcements

2015-2025

- Activity present over past year, even as previously announced projects are being put on hold or canceled at historically high levels
- Top 3 sectors – Aerospace/Defense, Grid/Energy, Digital Infrastructure



U.S. manufacturing job announcements

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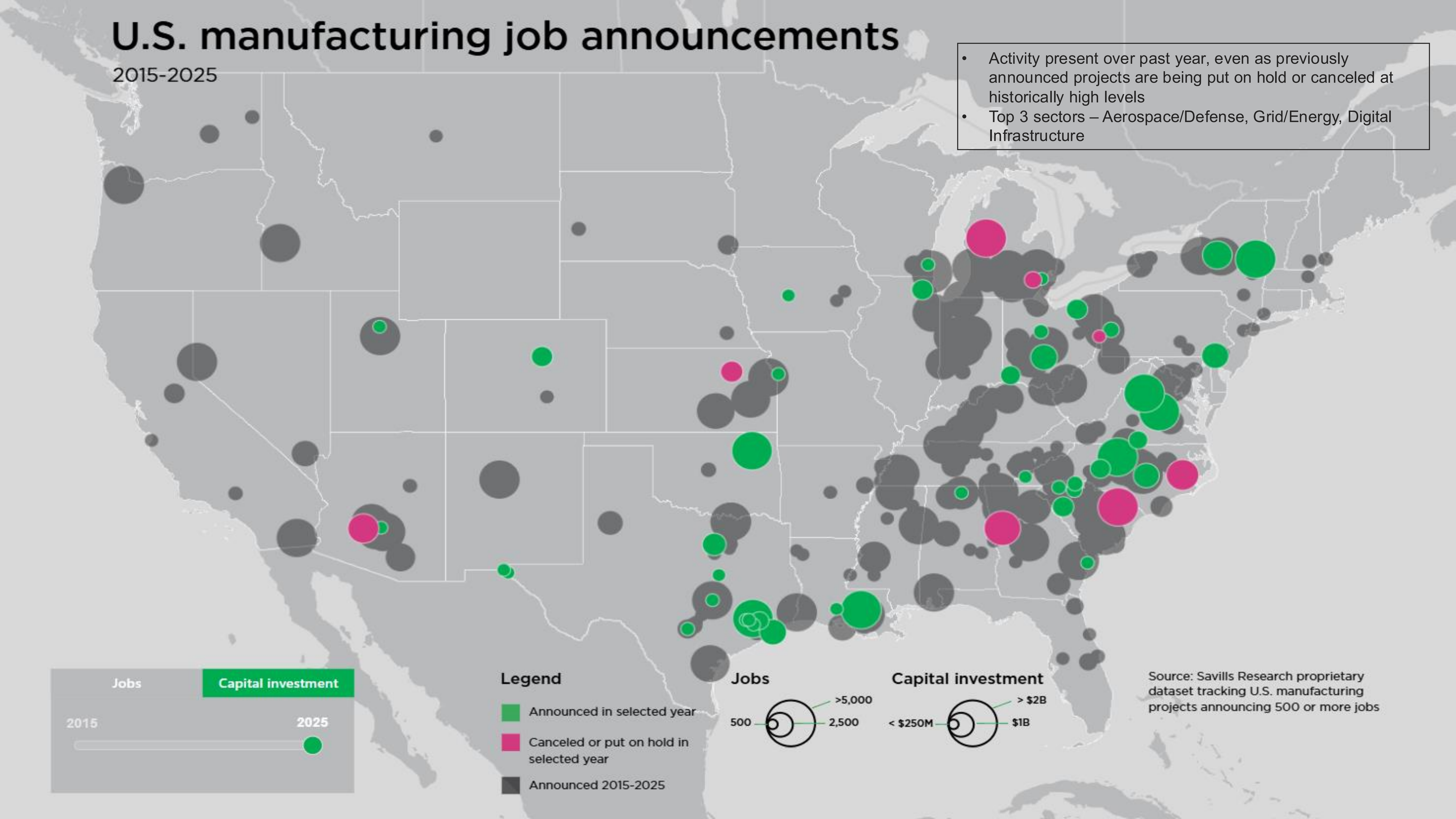


Segment Spotlight: Defense & Aerospace

Key Segments

- Hypersonics, Missiles, & Munitions
- Unmanned Systems
- Aircraft (fighter jets, transport, bombers)
- Naval Shipbuilding
- Missile Defense & Long-range Fires
- Commercial Aerospace & Space Launch

- Strong U.S. defense budgets & geopolitical urgency driving modernization programs.
  - Unmanned surface vessels, underwater vessels, and drones are prioritized in U.S. Navy Budget
  - Implementation of Maritime Prosperity Zones
- Government prioritization in hypersonic, AI, ISR (Intelligence, Surveillance, and Recon): all supported by FY26 DoD budget

By the Numbers

- US Market Value: $350 Billion +
- Est. Capex: $15-20 Billion

Segment Spotlight: Automotive

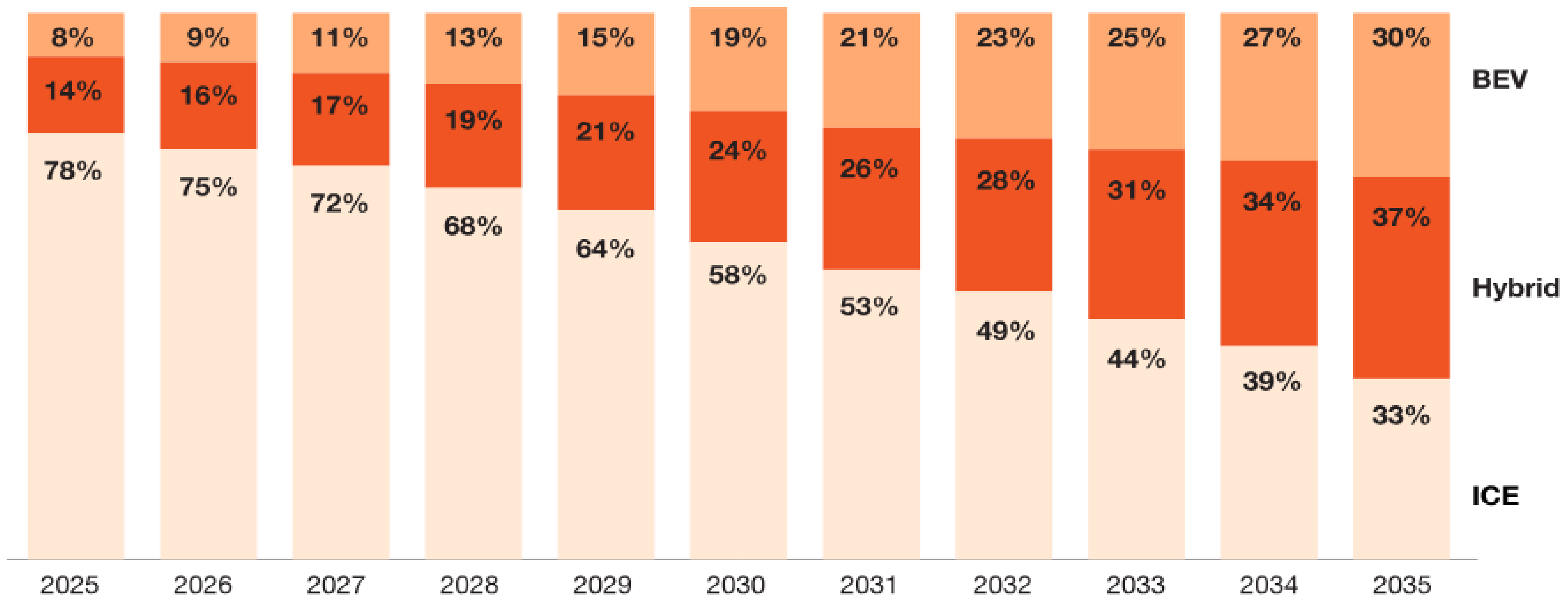
Key Segments

- OEM Retooling
- Tier 1 Supplier
- Tire
- OTR & Heavy Equipment

- Overnight shift away from EV has led to resurgence of supplier market domestically
- Major emphasis on Hybrid solutions
- Speed to Market for Tier suppliers on new contracts
- Old School projects – can we realign to the execution model

HEVs expected to gain US sales share through 2035 due to favorable economics and no charging infrastructure reliance

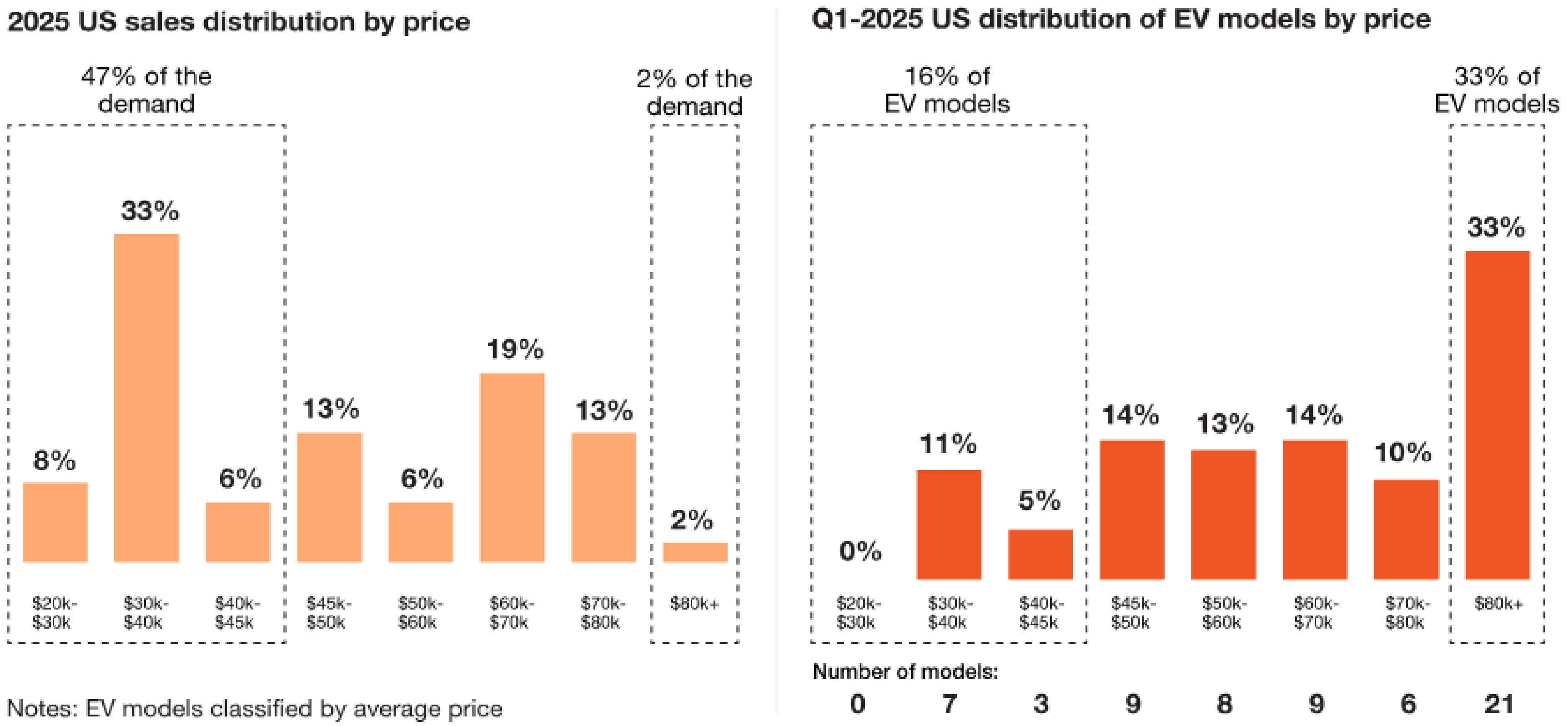
Estimated share of new US light vehicle sales by powertrain



Note: Hybrids includes mild & series hybrids, PHEV–PHEV includes plug-in hybrids & range extenders.
Source: PwC Strategy& Analysis

EV supply vs. US demand: Mismatch in price segments

US sales distribution vs EV model offering



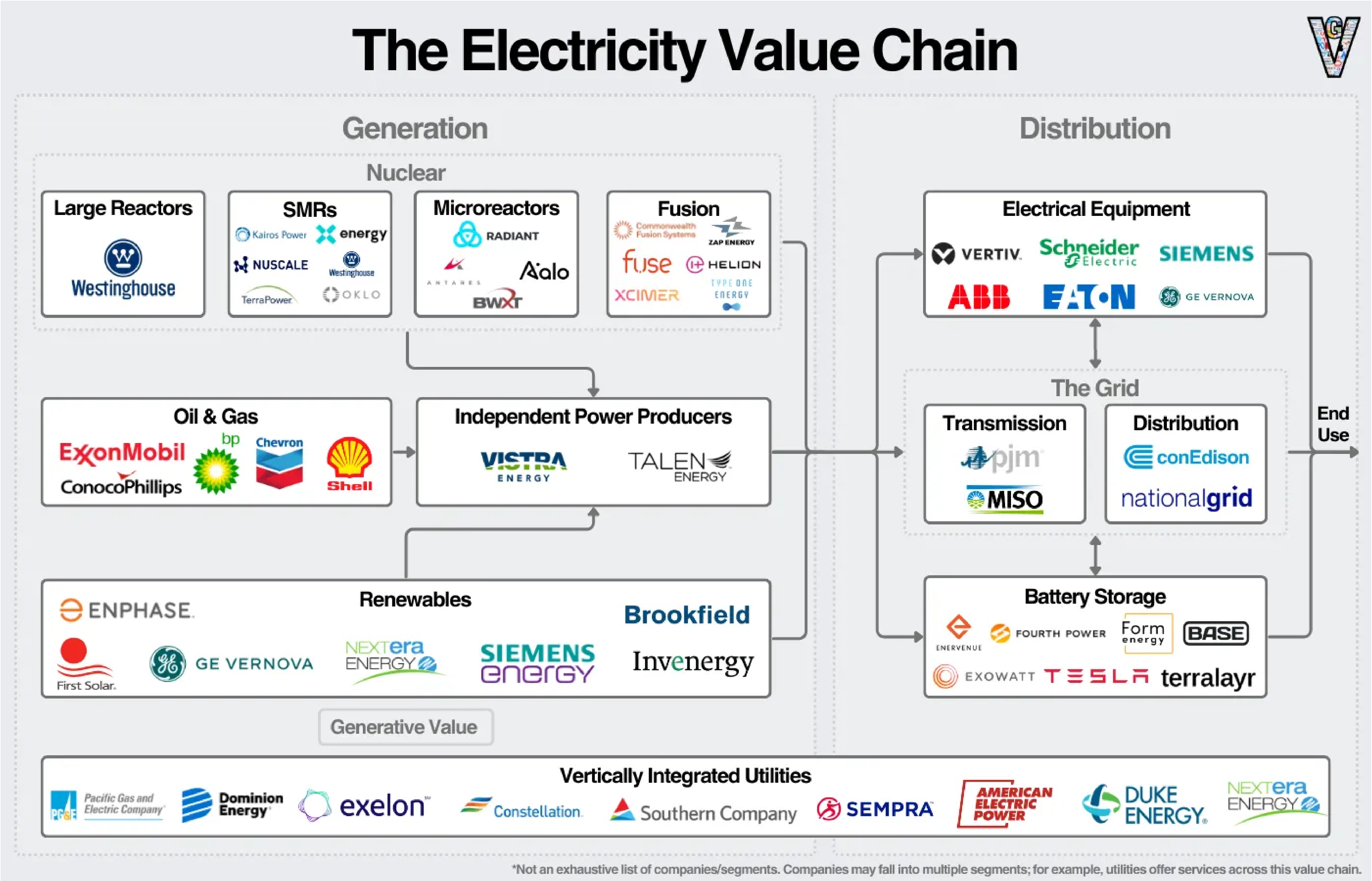
Notes: EV models classified by average price
Source: PwC Strategy& Analysis

Segment Spotlight: Electrical Infrastructure

Key Segments

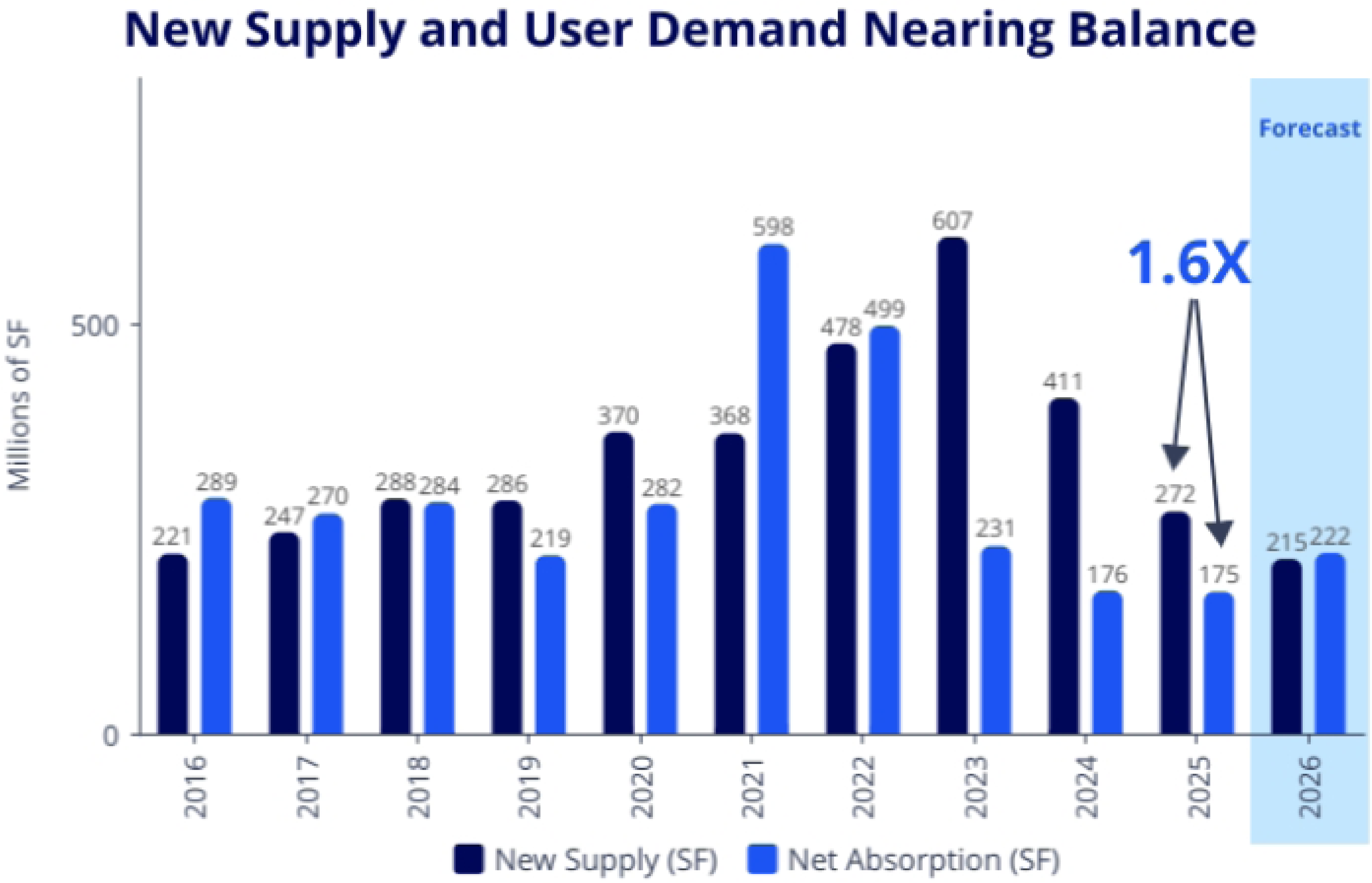
- Electrical Gear
- Cabling
- Transformer
- Nuclear Fuel
- Turbine
- Commercial Aerospace & Space Launch

- AI Driven market will require increase in domestically sourced products to build out network.
- Shift to behind-the-meter power development to supplement dated utility grid system
- Non-traditional suppliers will be more prevalent in coming years



Segment Spotlight: Logistics Report

- Meg-box Spec (over 1M SF) currently has the most limited options
  - Only 9 under construction per JLL Q4 Report
- Most common builds: 100,000 – 250,000sf
  - Over 300 planned/under construction per JLL Q4 Report
- Bulk of absorption last few years by Manufacturing sector in speed-to-market mode (i.e. Wistron, Trina Solar)
- Fed Rate adjustments + Net Absorption = new Spec on Horizon
- Traditional Developers shifted away from Warehouse/Logistics to Data Center last couple of years



Source Data: Colliers US Industrial Market Report Q4 2025

Market Update: Foreign Direct Investment

European Region

Emerging

Recycling (Metal)
Metal Processing
Life Science

Stabilizing

Automotive
Data Centers
F&B

Declining

EV

Wistron Corporation
Fort Worth, TX | 350,000 s.f.

Aurubis AG
Augusta, GA | 283,000 s.f.

APAC Region

Emerging

Semicon Suppliers
Microelectronics
Electronics
ESS
Automotive
F&B

Stabilizing

Life Science
Metal Processing

Declining

EV Battery OEM Builds
Solar

Thank you!