



Strongwell Corporation, Bristol

VIRGINIA'S BUSINESS CASE FOR SPANISH COMPANIES

March 2024



Top State
for Business

#2

WHY VIRGINIA?

Thriving Tech and Advanced Manufacturing industry ecosystem

Dynamic center of advanced materials innovation

Strategic Mid-Atlantic location

World-class logistics infrastructure

America's top state for talent

Attractive, stable, and predictable operating environment

Robust portfolio of project-ready sites



O'Sullivan Films, Winchester



Micron, Manassas



Canon Virginia, Newport News

VIRGINIA IS AN IDEAL LOCATION FOR INTERNATIONAL COMPANIES THAT WANT TO CONNECT WITH THEIR U.S. CUSTOMER BASE

AIRBUS



BAE SYSTEMS

Canon

COBHAM

GE Giesecke+Devrient
Creating Confidence

Materials for the Future
Hanwha Azdel

kapsch >>>
challenging limits

kti



LIG Nex1

Maruchan

Massimo Zanetti
MASSIMO ZANETTI
BEVERAGE USA

REHAU



Shibuya
Shibuya Hoppmann

SICPA

software AG

SA
SOMIC AMERICA, INC.®

Sumitomo
Drive Technologies

TERMA®

THALES

TMEiC
We drive industry



YOKOHAMA

Virginia's International
Headquarters Presence

200

Foreign subsidiary
corporate headquarters

30+

Countries represented

7,200

New jobs created
(2010-2020)

\$989M

Capital investments
(2010-2020)

EXAMPLES OF SPANISH COMPANIES OPERATING SUCCESSFULLY FROM VIRGINIA



VIRGINIA'S THRIVING ADVANCED MATERIALS INDUSTRY ECOSYSTEM

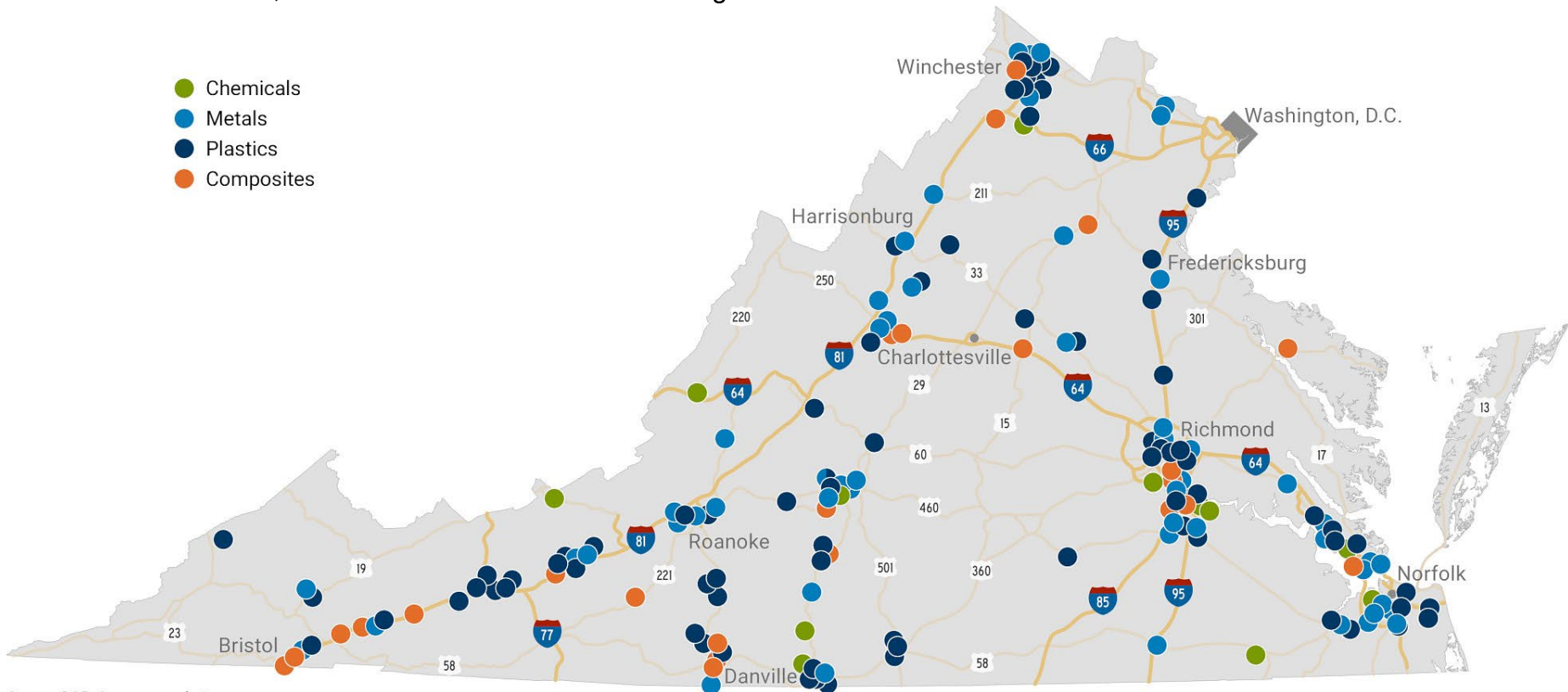
Illustrative Examples



ADVANCED MATERIALS INDUSTRY CLUSTERS SPAN THE ENTIRE COMMONWEALTH

A diverse ecosystem of suppliers, innovators, and customers already thrives in Virginia, supporting the advanced materials companies operating in a range of sub-sectors from chemicals and metals to plastics and composites. Hundreds of specialized suppliers – including contract manufacturers – operate in Virginia and North Carolina, and thousands more in the wider region.

- Chemicals
- Metals
- Plastics
- Composites



Source: D&B, Company websites

VIRGINIA'S ADVANCED MATERIALS INDUSTRY SPANS THE ENTIRE MANUFACTURING VALUE CHAIN

Plastics

Virginia plastics companies manufacture vital products including plastic bottles, food containers, and films, through methods like plastic injection molding, extrusion, blow molding, and compounding.

Illustrative companies



Metals

Virginia metal companies include a broad range of metal manufacturing, from iron and steel mills to secondary refining, including products such as aluminum cans, metal blades, and specialized parts.

Illustrative companies



Chemicals

Virginia's chemical industry dates back to the early 19th century and remains an important cluster of chemical manufacturing on the East Coast.

Illustrative companies



Composite Materials

Virginia composite companies are located throughout the Commonwealth and serve the automotive, aviation, and construction industries, among others.

Illustrative companies



OVER THE PAST DECADE, VIRGINIA'S ADVANCED MATERIALS INDUSTRY HAS CONTINUED TO EXPAND AND DIVERSIFY

9,600+

New jobs created

\$5.4B+

Capital investment

240+

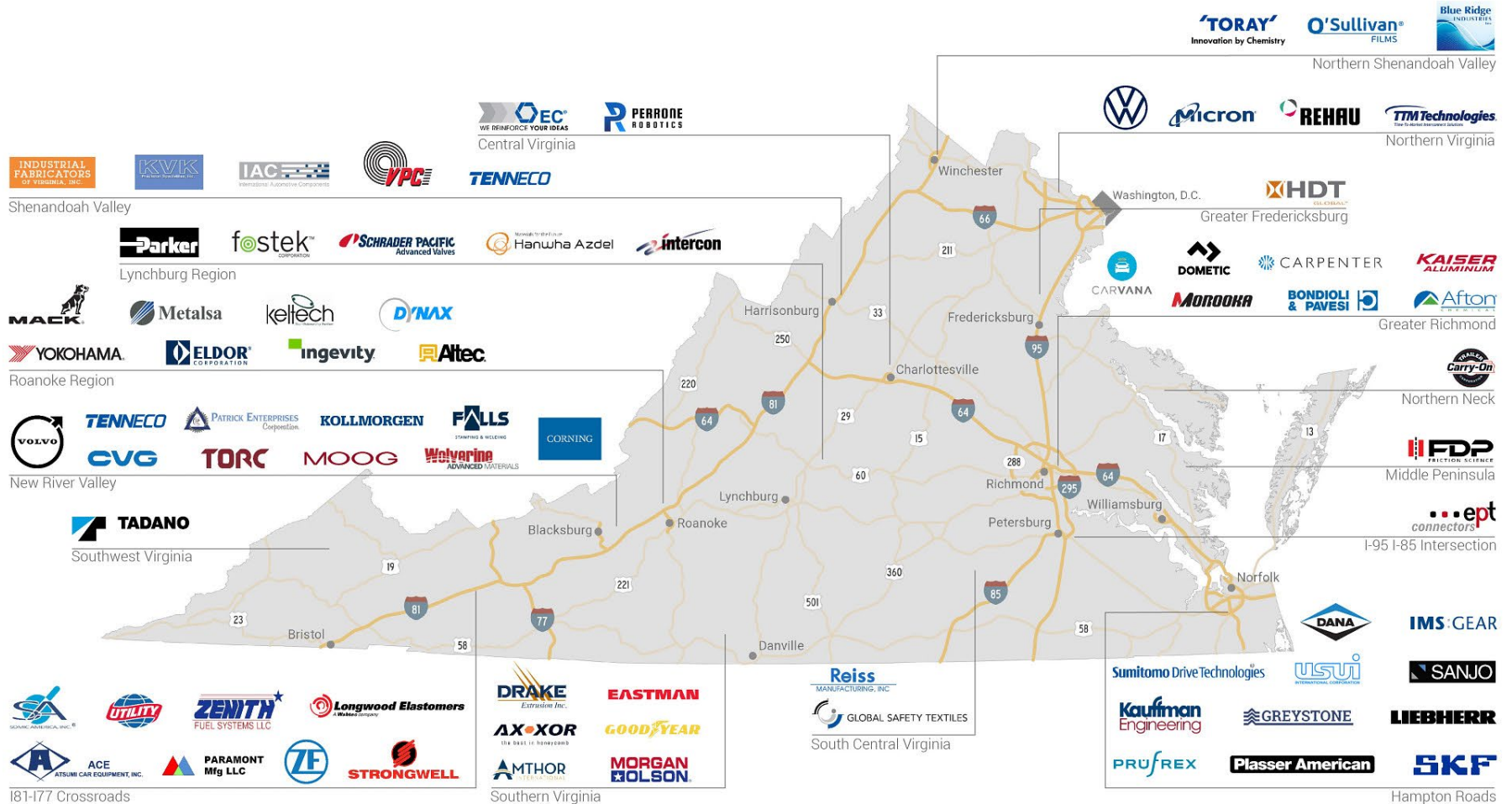
Advanced materials companies chose to invest in Virginia



BWX Technologies, Inc., Campbell County

VIRGINIA'S AUTOMOTIVE INDUSTRY ECOSYSTEM

Illustrative Examples



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New jobs created

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Capital investment

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Advanced materials companies chose to invest in Virginia



BWX Technologies, Inc., Campbell County

VIRGINIA'S THRIVING AEROSPACE INDUSTRY ECOSYSTEM



VIRGINIA'S AEROSPACE AND UNMANNED SYSTEMS INDUSTRY IS MUCH BROADER THAN TRADITIONALLY DEFINED

Aerospace Manufacturing

Employs 11,600+ people

MOOG **GOODYEAR**

EC
WE REINFORCE YOUR IDEAS

Aurora
FLIGHT SCIENCES
A Boeing Company

Science, Engineering, and Technology

Employs 13,800+ people

SAIC

MITRE

Raytheon
An RTX Business

L3HARRIS
FAST. FORWARD.

Headquarters

Employs 4,300+ people

NORTHROP GRUMMAN

BAE SYSTEMS

AIRBUS

GENERAL DYNAMICS
Mission Systems

Fixed-base Operations

Employs 1,800+ people

Dynamic Aviation

Signature
FLIGHT SUPPORT

MILLION AIR

SUMMIT
HELICOPTERS

GE
Aviation

Other Aerospace

Employs 3,700+ people

ATAC
A Textron Company

SATAIR

FEDERAL AVIATION ADMINISTRATION

DTE
Defense Technology Equipment Inc.

**Virginia's
aerospace and
unmanned
systems industry
employs over
35,000 people**

SIGNIFICANT GROWTH IN THE LIFE SCIENCES INDUSTRY ECOSYSTEM

Illustrative Examples



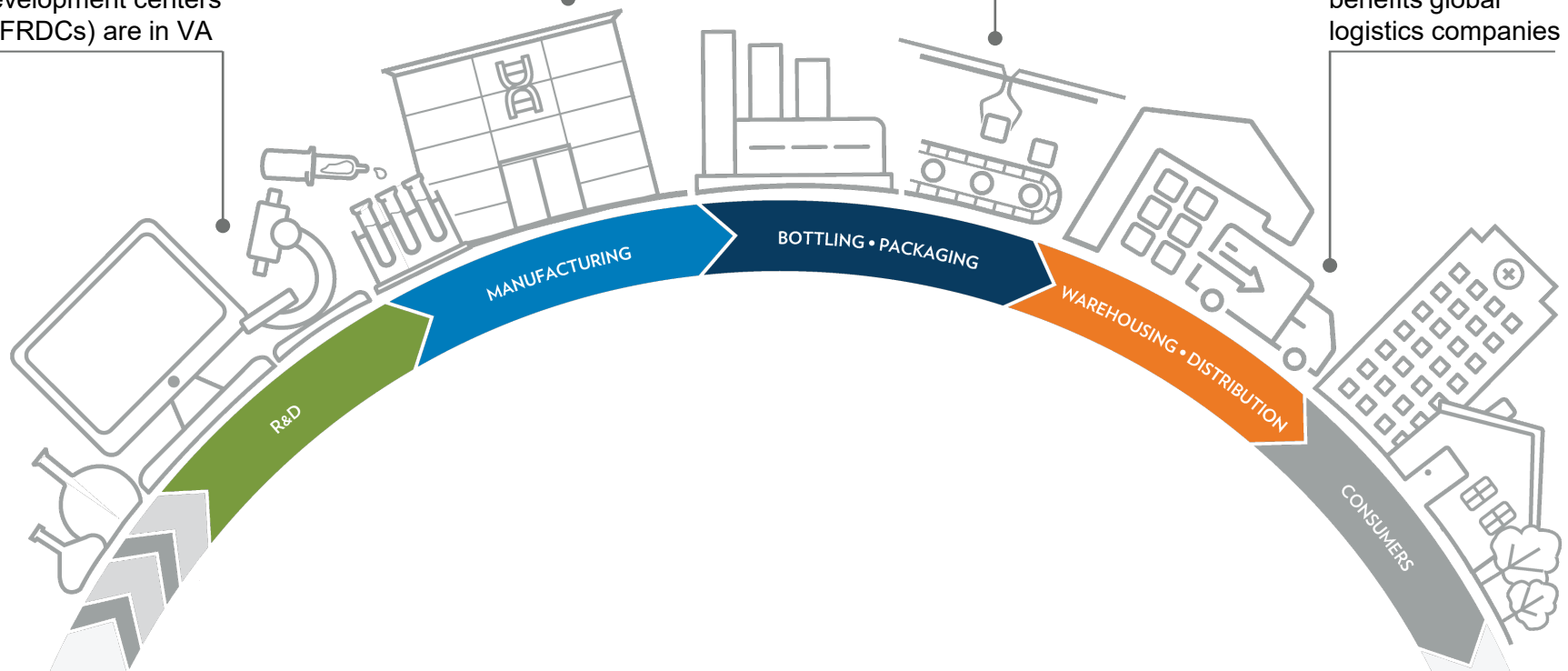
THE COMMONWEALTH OFFERS A DYNAMIC SUPPLY CHAIN FOR THE LIFE SCIENCES INDUSTRY

VA's life science manufacturing covers a broad swath of the industry, including pharmaceutical & nutritional products, & medical supplies & devices

There are more than 50 major packaging and packing establishments in VA providing services to the life science industry

25% of federally funded research and development centers (FFRDCs) are in VA

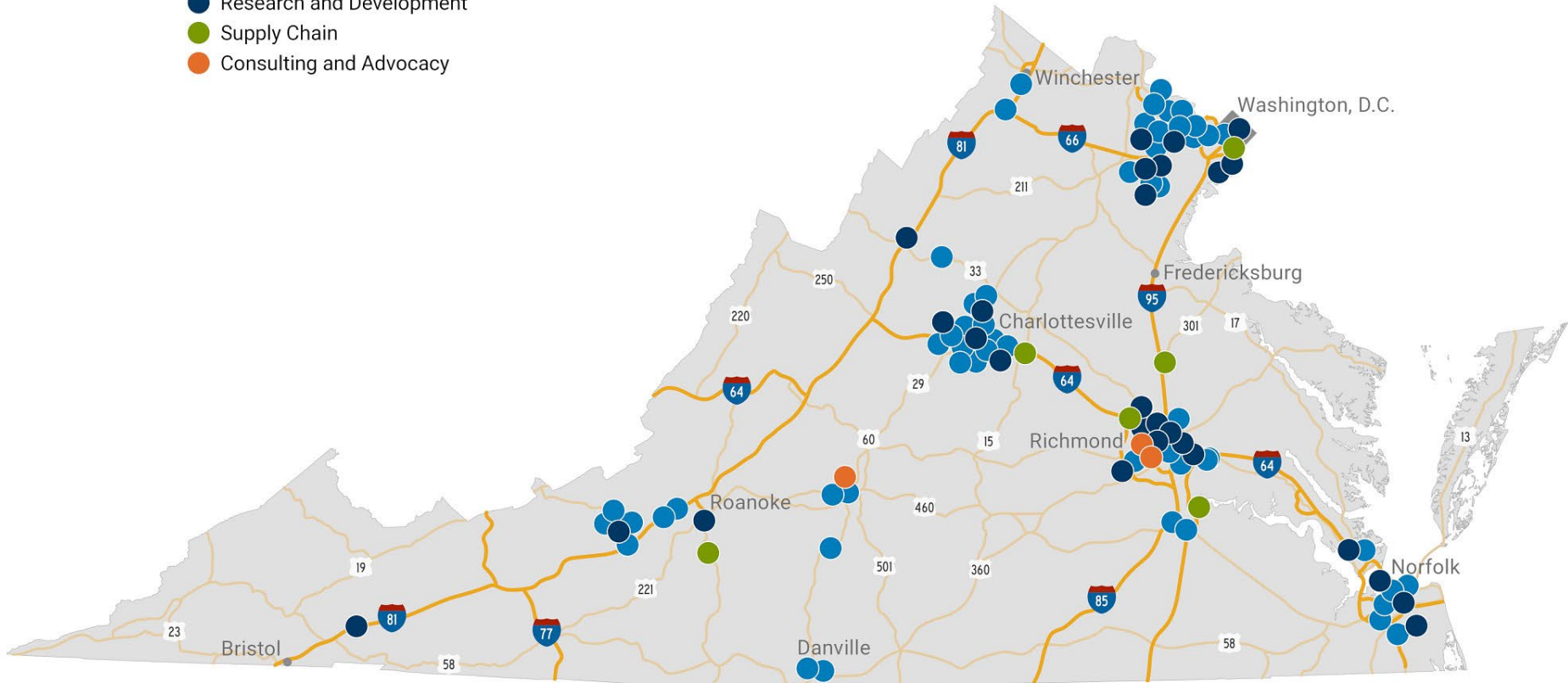
VA's strategic Mid-Atlantic location benefits global logistics companies



A LARGE ECOSYSTEM OF PHARMACEUTICAL COMPANIES AND SUPPLIERS CALL VIRGINIA HOME

Pharmaceutical Companies and Suppliers

- Pharma
- Research and Development
- Supply Chain
- Consulting and Advocacy



THE LIFE SCIENCES INDUSTRY HAS GAINED SIGNIFICANT MOMENTUM IN VIRGINIA IN THE PAST FIVE YEARS

6,200+

New jobs created

\$2.5B

Capital investments

62

Life sciences projects announced in Virginia



Aditxt, Richmond

A LARGE AND DIVERSE DISTRIBUTION AND LOGISTICS ECOSYSTEM

Illustrative examples of supply chain operations / headquarters



VIRGINIA'S SUPPLY CHAIN INDUSTRY HAS SIGNIFICANTLY EXPANDED OVER THE PAST DECADE

~20,000

New jobs created

\$1.5B+

Capital investment

250+

Supply chain companies
chose to invest in Virginia



Amazon Fulfillment Center,
Chesterfield County

LARGE F&B SECTOR IN VIRGINIA

Illustrative examples



Shenandoah Valley



Lynchburg Region



Roanoke Region



New River Valley



I-81 I-77 Crossroads



Southern Virginia



Central Virginia



Northern Shenandoah Valley



Northern Virginia



Greater Fredericksburg



Greater Richmond



Eastern Shore



Middle Peninsula



South Central Virginia



I-95 I-85 Intersection



Hampton Roads



THE COMMONWEALTH OFFERS A DYNAMIC ECOSYSTEM FROM FARM TO TABLE

42,000+

workers employed in food and beverage manufacturing

43,000+

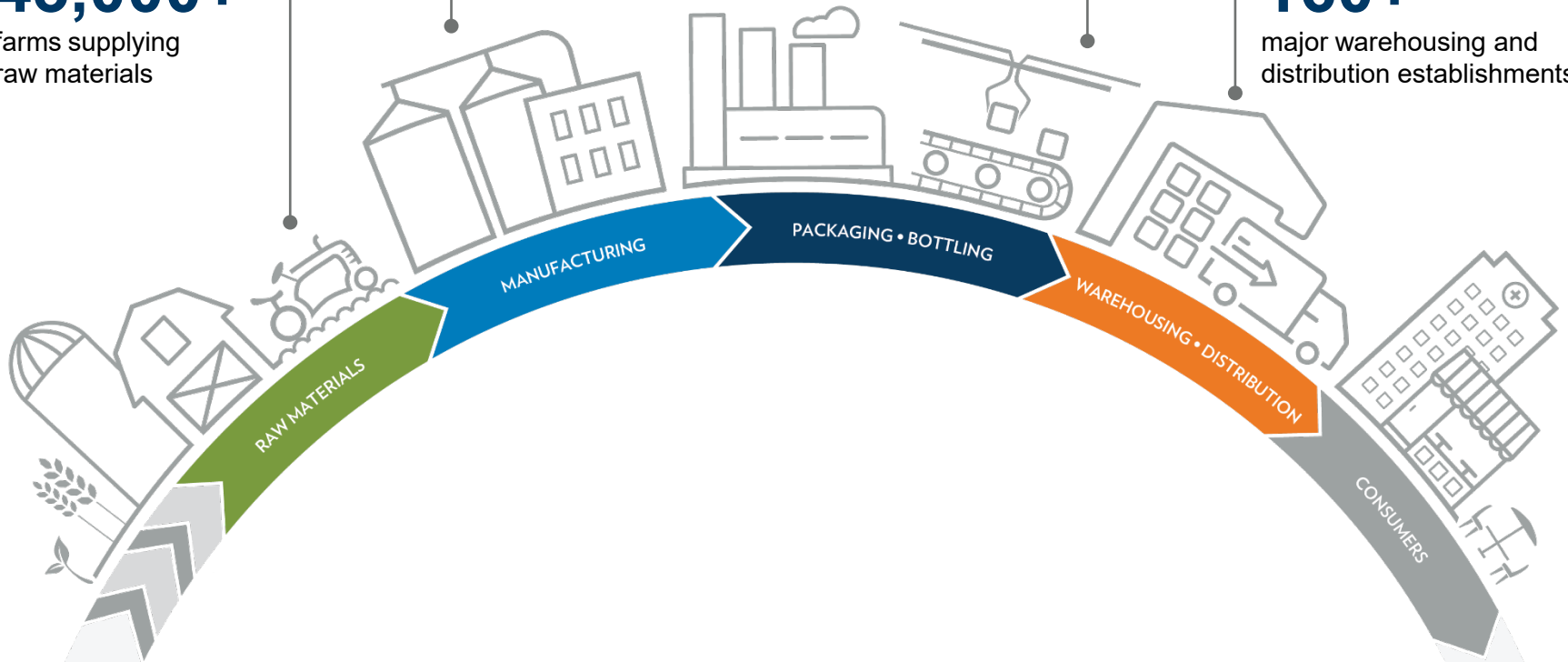
farms supplying raw materials

50+

major packaging and bottling establishments

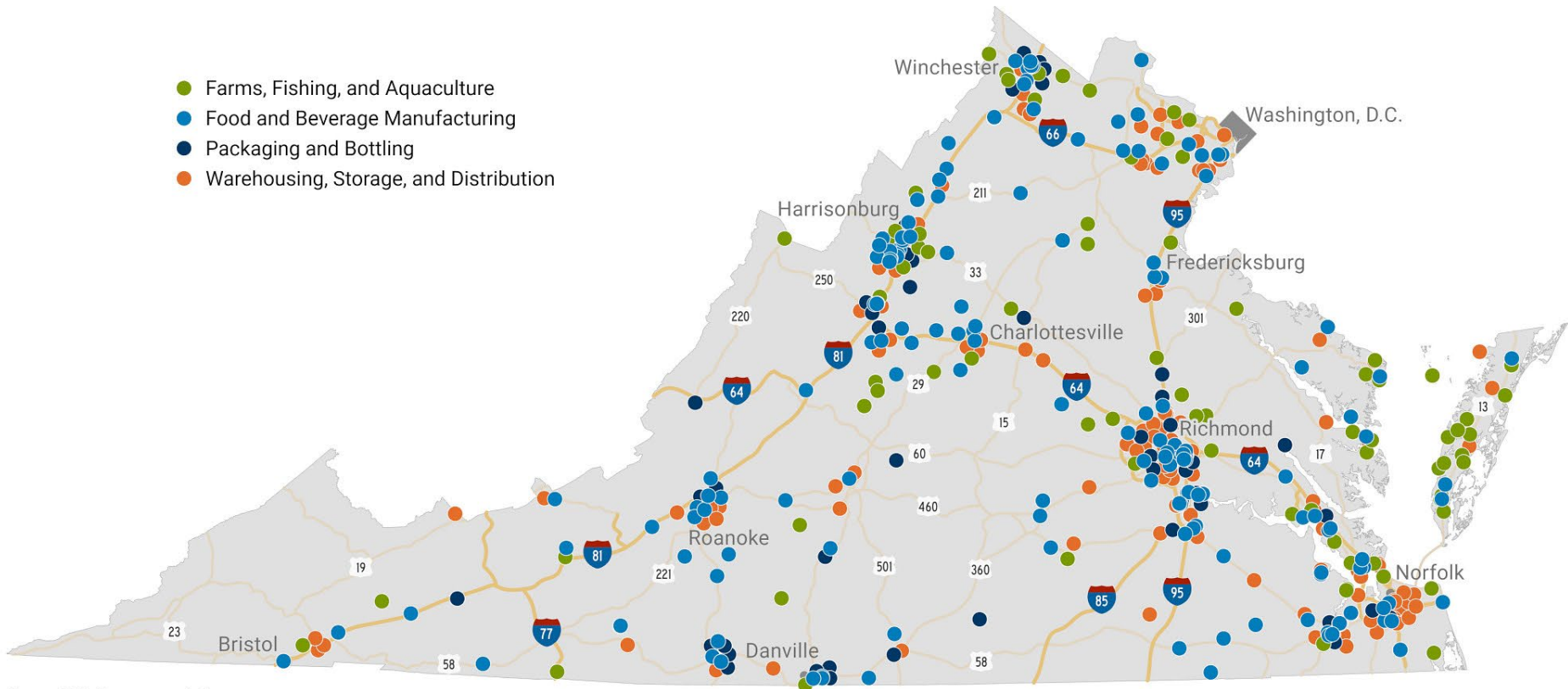
160+

major warehousing and distribution establishments



VIRGINIA'S FOOD AND BEVERAGE ECOSYSTEM SPANS ALL AREAS OF THE COMMONWEALTH

- Farms, Fishing, and Aquaculture
- Food and Beverage Manufacturing
- Packaging and Bottling
- Warehousing, Storage, and Distribution



Source: D&B, Company websites

VIRGINIA'S FOOD AND BEVERAGE INDUSTRY HAS SIGNIFICANTLY EXPANDED OVER THE PAST DECADE

7,300

New jobs created

\$2.3B

Capital investments

150+

Food and beverage manufacturers have chosen to invest in Virginia

No. 2

Industry employment has grown by 15%, the second-fastest in the Southeast (2014-2019)



Traditional Medicinals, Franklin County

INTERNATIONAL COMPANIES FEEL AT HOME IN VIRGINIA, RANKED NO. 4 IN THE SOUTHEAST FOR FOREIGN COMPANY PRESENCE



Virginia's International Company Presence

860+

foreign-owned multinationals with operations in Virginia

6.1%

of private sector employment is by foreign-owned multinationals

\$44B+

gross property, plant, and equipment assets held by foreign-owned multinationals



ADVANCED MATERIALS IN VIRGINIA

Thriving advanced materials industry ecosystem

Dynamic center of advanced materials innovation

Strategic Mid-Atlantic location

World-class logistics infrastructure

America's top state for talent

An attractive and stable business climate

Robust portfolio of project-ready sites

How VEDP can assist

O'Sullivan Films, Inc., Winchester



Access to Suppliers and Markets

Virginia's strategic location provides superior access to supplier networks along the affluent Northeast corridor, across the high-growth Southeast, throughout the Midwest, and in the adjoining D.C. Metro area.

47%

Nearly half (47%) of the U.S. population lives within the Eastern Time Zone

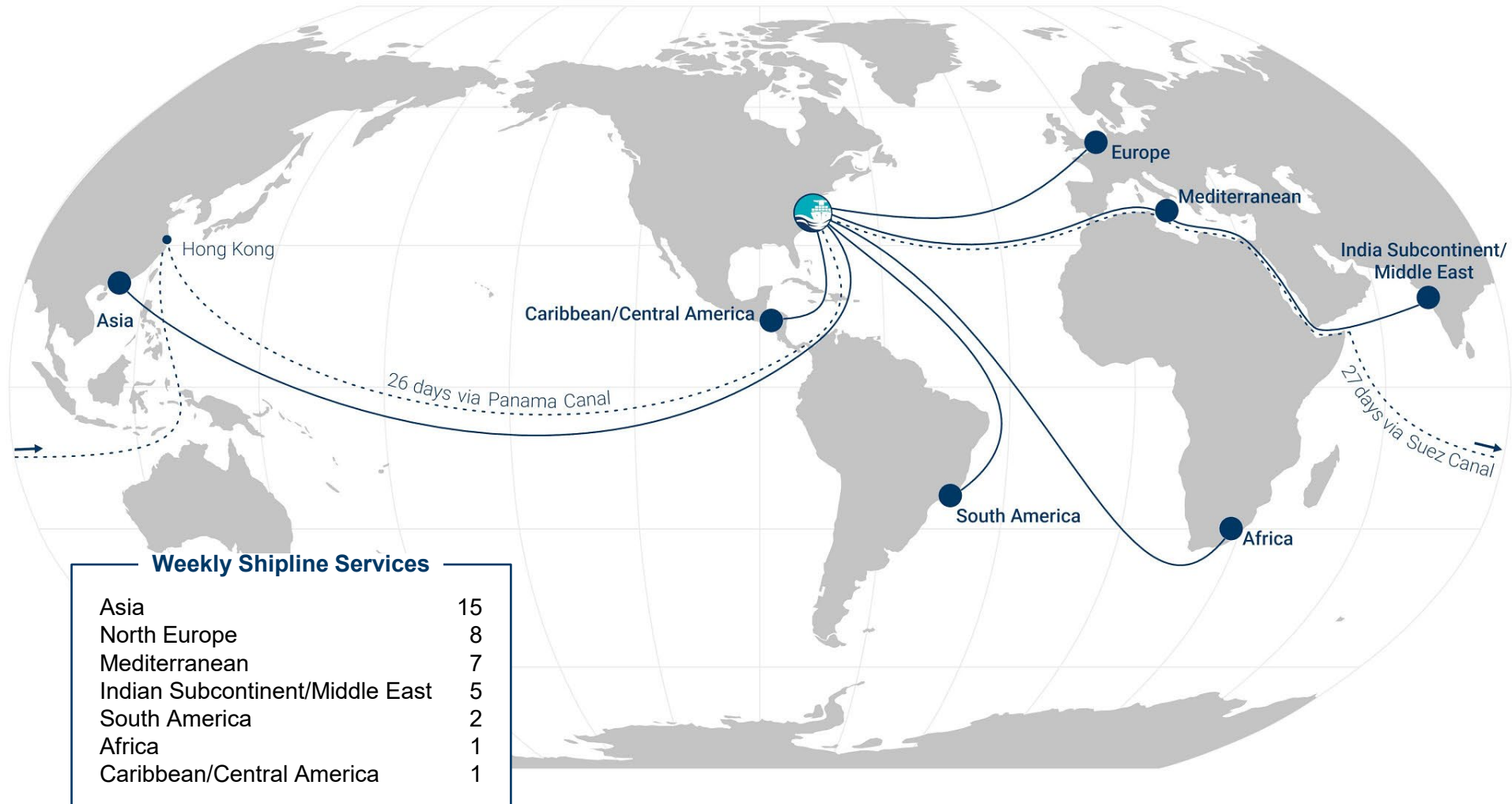
Connected

Efficiently reach major economic hubs across the continental U.S.

Access

Hundreds of specialized suppliers operate in Virginia and North Carolina, including contract manufacturers

THE PORT OF VIRGINIA'S WORLD-CLASS FACILITIES SEAMLESSLY CONNECT COMPANIES WITH INTERNATIONAL MARKETS



STIHL INC. BUILDS ON VIRGINIA LEGACY BY ADAPTING WORKFORCE FOR 21ST CENTURY

Founded in Germany, STIHL Group manufactures top selling brands of gasoline-powered handheld outdoor power equipment and chainsaws. In 1974, STIHL Group established its U.S. headquarters, STIHL Incorporated, in Virginia Beach. The location was chosen for its proximity to The Port of Virginia – one of the country’s largest deep-water ports – and the ready-to-work local labor force.

Strong and steady growth

STIHL’s Virginia Beach location now employs over 2,100 employees in more than one million square feet of operating space on a 150-acre campus. The facility uses highly automated technology to produce 80+ models of STIHL equipment, which are then distributed throughout the U.S. and exported to more than 80 countries.

Bridging the skills gap

In response to the growing skills gap, STIHL is involved in several workforce development initiatives, including:

- An apprentice program
- A dual-enrollment program
- STEM sponsorships
- An annual manufacturing technology high school summer camp



STIHL Incorporated, Virginia Beach



#1 Top State
for Business –
Education

smartasset™ 2022

#2 Best State
for Higher
Education



George Mason University

VIRGINIA'S MANUFACTURING WORKFORCE IS HIGHEST QUALITY



Productive

No. 1 hardest-working state on the East Coast (WalletHub)



Educated

No. 1 state for Education (CNBC Top State for Business)



Reliable

Fourth-lowest rate of illicit drug use in the country (National Survey of Drug Use & Health)

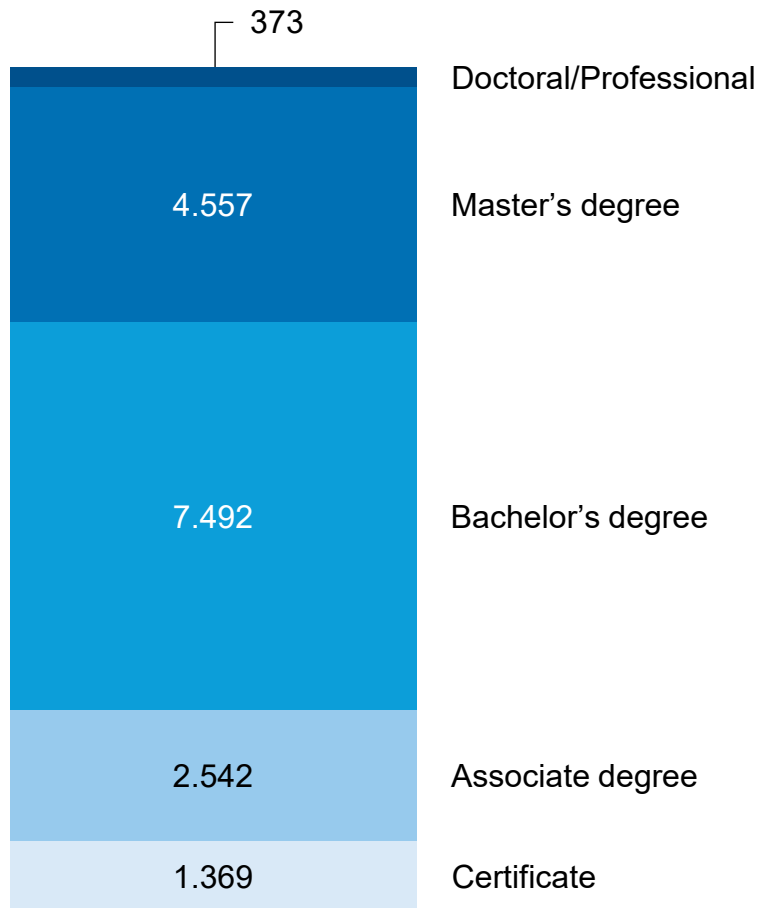


Healthy

Healthiest state in the South (America's Health Rankings)

VA'S HIGHER ED INSTITUTIONS PRODUCE 16,300+ ADVANCED MATERIALS-RELEVANT DEGREES AND CERTIFICATES EACH YEAR

Advanced materials-related completions by level
Certificate or degree completions, N=16,333 (2019)



Top relevant program areas & degree-producing schools

- Management
- Engineering
- Chemistry, chemical engineering, and chemical technicians
- Precision manufacturing
- Maintenance, installation, and repair
- Material science and engineering



VIRGINIA TECH PREPARES STUDENTS TO BE HIGHLY RECRUITABLE PROBLEM SOLVERS AND LEADERS

Virginia Tech's College of Engineering offers degrees in:

- Aerospace and Ocean
- Biological Systems
- Biomedical and Mechanics
- Chemical
- Materials Science
- Civil and Environmental
- Electrical and Computer
- Mechanical
- Industrial and Systems
- Mining and Minerals

Applying a hands-on, multidisciplinary approach

- Materials Science and Engineering (MSE) students specialize in multiple areas including ceramics, metals, polymers, and electronic and photonic materials
- Virginia Tech's Packaging Systems and Design majors learn how to use sustainable materials and biomaterials in packaging for transportation, storage, and delivery of products that must withstand loads, and how all components of the package interact
- The Nanoscience program at Virginia Tech produces students ready to join cutting-edge corporate R&D in some of the most important and profitable industries in the world, such as information technology, communications, energy, drug development, imaging, and environmental technology



Center for Packaging and Unit Load Design, Virginia Tech

BF BUSINESS FACILITIES 2023

#1 Customized Training Leader in the U.S.

AREADEVELOPMENT 2022

#2 Top State – Workforce Development Programs



Virginia Talent Accelerator Program

ONLY THE BEST IS GOOD ENOUGH: THE LEGO GROUP CHOOSES VIRGINIA FOR U.S. MANUFACTURING FACILITY

The LEGO Group is one of the world's largest toy manufacturers and a beloved global icon whose reach also spans theme parks, video games, films, clothing, and more.

Building blocks for success: infrastructure, sustainability, and workforce

After looking at more than 40 U.S. states and considering a number of locations, the LEGO Group selected Chesterfield County for its \$1 billion, 1.7-million-sq.-ft. moulding, processing, and packing plant in June 2022. The plant in Virginia will be its seventh manufacturing facility, and the only one in the U.S. The new facility, which will create more than 1,760 new jobs within 10 years, will expand the company's global manufacturing network, shorten its supply chain, and support long-term growth in the Western Hemisphere.

The LEGO Group's Chesterfield plant will be designed to be carbon-neutral, with 100% of day-to-day energy needs matched by renewable energy generated by an onsite solar park. The facility will also minimize energy consumption and the use of non-renewable resources.

The Virginia Talent Accelerator Program began working with the LEGO Group as soon as its decision was made. Services included a customized recruitment website that drew more than 3,000 job candidates within 36 hours. Brightpoint Community College and the Community College Workforce Alliance will support the project and the company's long-term needs with customized recruitment and training services.



The LEGO Group rendering,
Chesterfield County

“ We were impressed with all that Virginia has to offer, from access to a skilled workforce, support for high-quality manufacturers, and great transport links.”



Niels B. Christiansen
CEO, The LEGO Group
June 2022

A Top State for Business

Virginia has been consistently ranked as a top state nationally to do business, with friendly tax and regulatory policies


#2 Top State
for Business


#3 Top State
Business
Climate


#3 Best Business
Climate
in the U.S.

Moody's
INVESTORS SERVICE

AAA

State Bond
Rating Since 1938,
Longer Than Any Other
State in the U.S.

TOP

10

USNews 2023

Best State for
Fiscal Stability

45+

Years Without
Changes to
Corporate Income
Tax Rate



Virginia State Capitol

VIRGINIA IS A RIGHT-TO-WORK STATE WITH ONE OF THE LOWEST UNIONIZATION RATES IN THE U.S.

Virginia's Regulatory Environment

2.2%

Fifth-lowest rate of private sector unionization in the country

1947

One of the oldest right-to-work laws in the country, a status which has never been seriously challenged

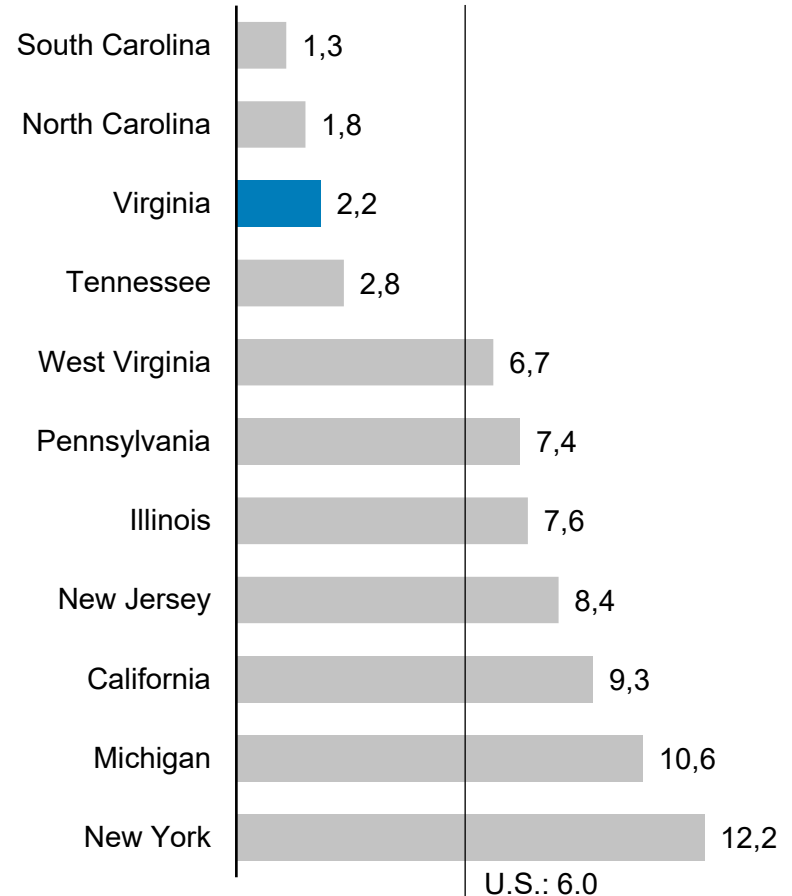
Federal minimum

No additional requirements above Federal labor regulations, unlike in many states

No exceptions

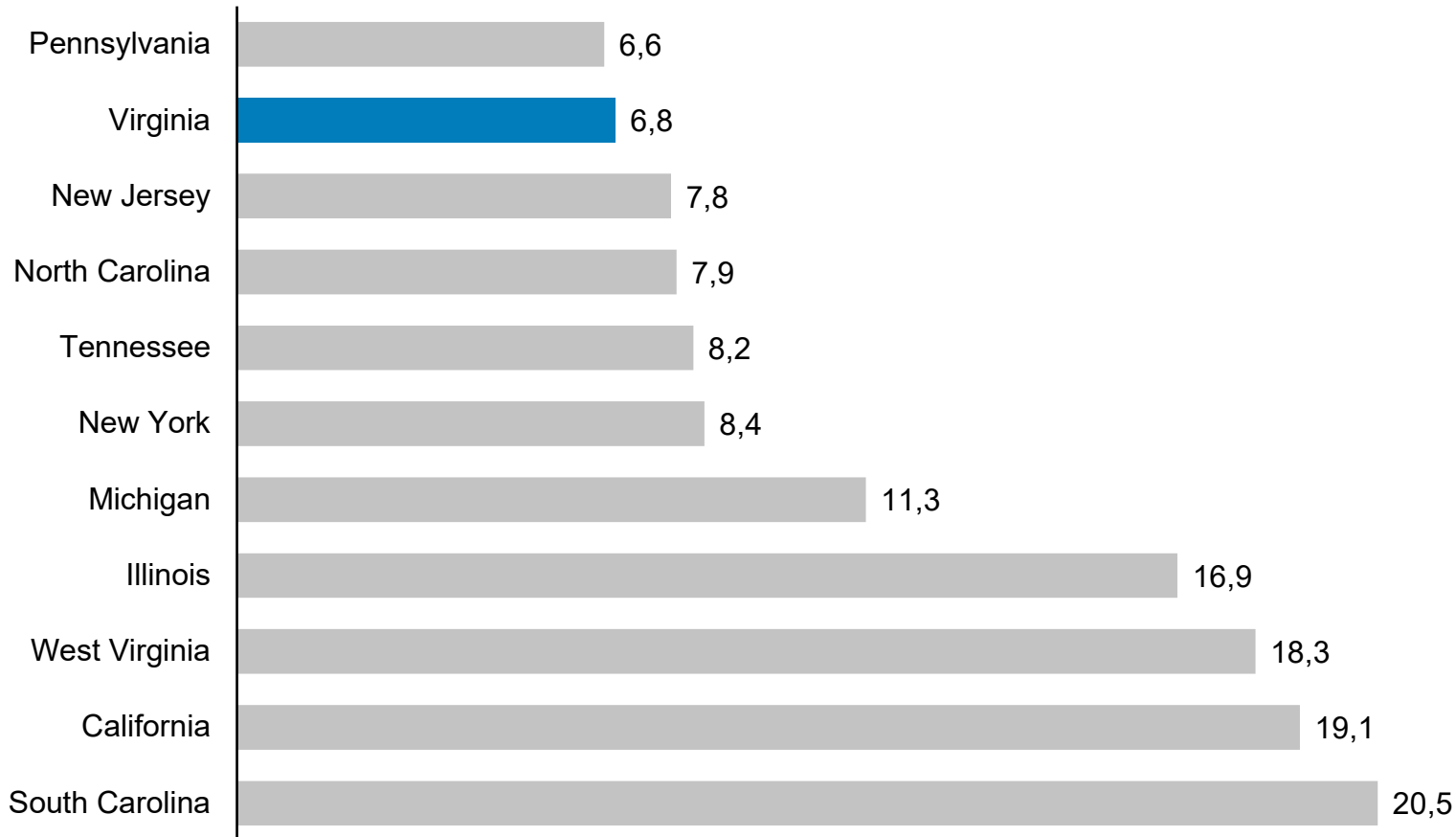
Implied contract and covenant of good faith and fair dealing exceptions to at-will employment are not recognized

Union membership rate for select states
% of private sector workers (2022)



VIRGINIA'S EFFECTIVE TAX BURDEN FOR CAPITAL-INTENSIVE MANUFACTURING IS LOWER THAN MOST MAJOR COMPETITORS

Effective tax rate for mature capital-intensive manufacturing¹
% (2021)

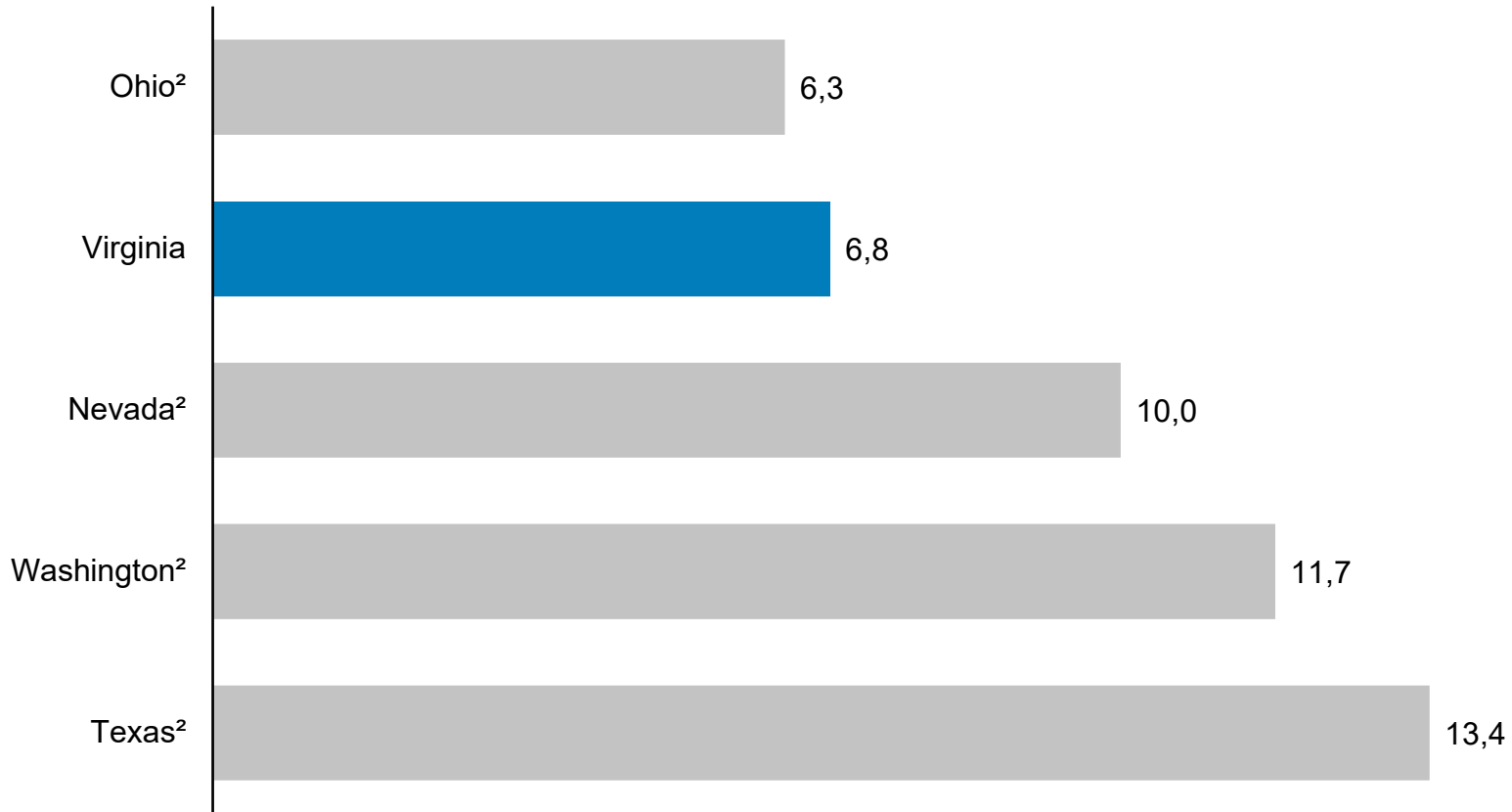


¹Model capital-intensive manufacturing operation is based on a steel company with 200 employees, assumes capital investment of \$320M, including a 250,000-sq.-ft. suburban industrial building, revenue of \$200M with a gross profit ratio of 25% and earnings before tax of 10%

Source: Location Matters, Tax Foundation, KPMG, 2021

VIRGINIA'S STATE AND LOCAL TAX BURDEN IS COMPARABLE AGAINST MANY STATES WITH "ZERO" CORPORATE INCOME TAX

Effective tax rate for mature capital-intensive manufacturing in Virginia and "zero" corporate income tax states¹
% (2021)



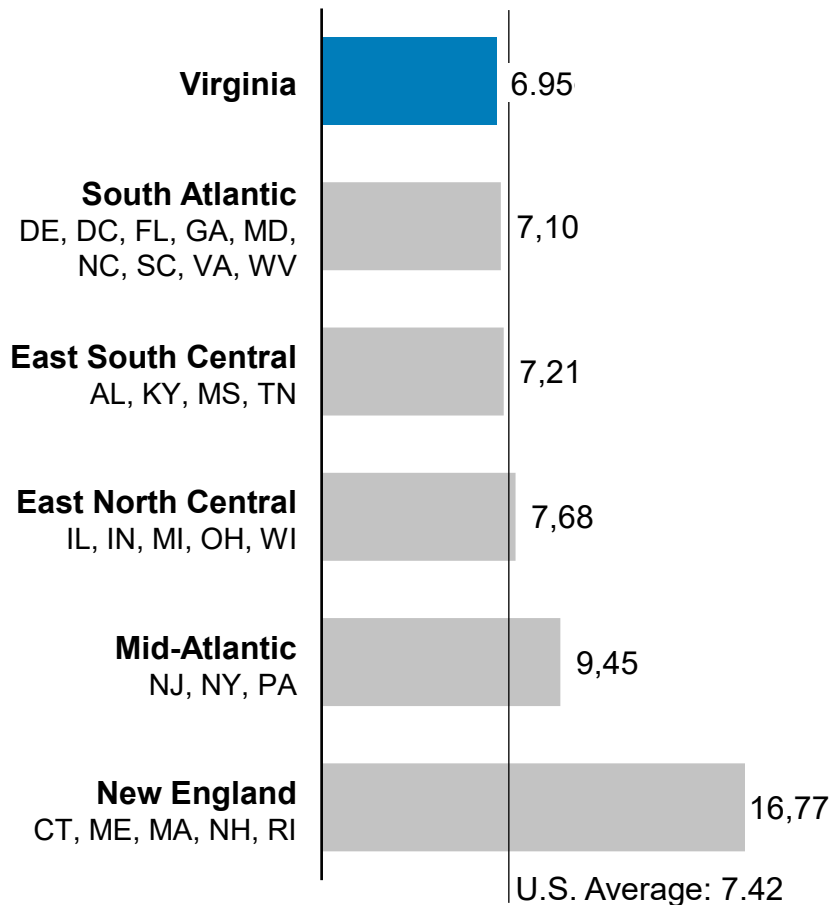
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²"Zero" corporate income tax state

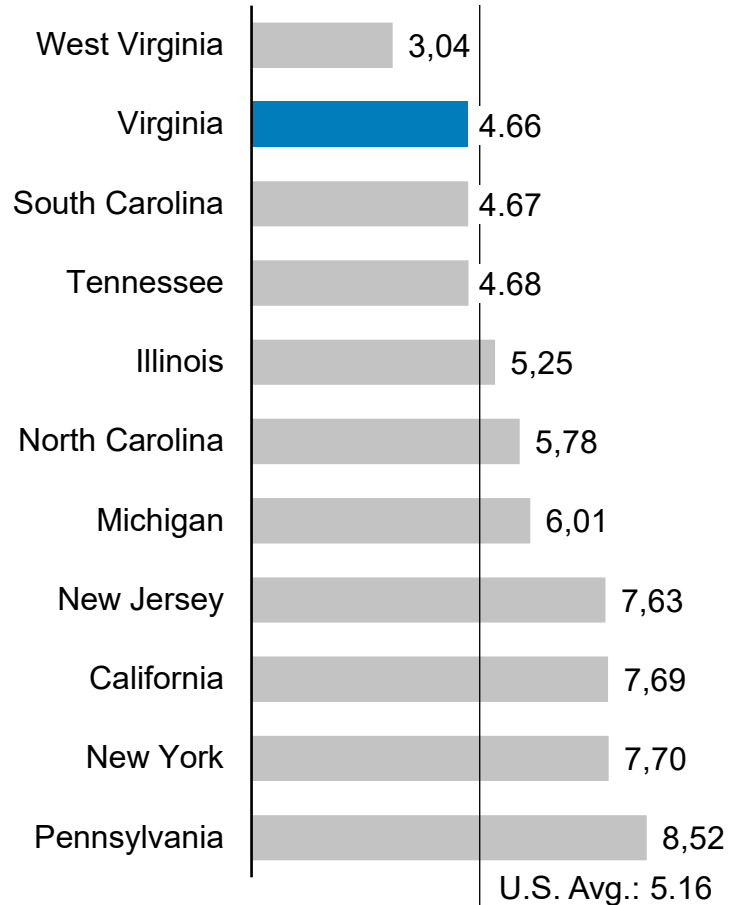
Source: Location Matters, Tax Foundation, KPMG, 2021

VIRGINIA'S COMPETITIVE UTILITY COSTS OFFER SIGNIFICANT FINANCIAL ADVANTAGES OVER OTHER REGIONS OF THE COUNTRY

Average industrial electric rates for selected regions
Cents per kilowatt hours (Summer 2022)



Natural gas industrial price for selected states
Dollars per thousand cubic feet (2019)



VIRGINIA HAS A ROBUST (AND GROWING) INVENTORY OF SITES AND BUILDINGS

With 300+ fully-characterized sites of 25 acres or larger, dozens of certified sites, and a growing inventory of spec buildings and virtual buildings, Virginia is constantly improving its portfolio of real estate options.

40+

sites are certified as project-ready under the Virginia Business Ready Sites Program

12

of Virginia's certified parks have graded pad sites available for construction

12-18 mo.

for project-ready sites to have utilities on-site and all infrastructure in place

80+

rail-served sites for advanced materials manufacturers requiring on-site rail



Southern Virginia Megasite,
Pittsylvania County

VEDP OFFERS CUSTOMIZED SERVICES AND SOLUTIONS TO SUPPORT A COMPANY'S GROWTH

VEDP provides:

- ✓ A single point of contact in Virginia
- ✓ Site selection assistance
- ✓ Coordination of site visits with local stakeholders
- ✓ Tailored research (e.g., cost of doing business comparisons, state benchmarking)
- ✓ Customized incentive proposals
- ✓ International trade services
- ✓ Workforce solutions

THANK YOU

Antje Abshoff

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