



Presentation to the Public Utilities Board

As a member of the Manitoba Industrial Power Users Group

December 8, 2025

So what does the CTD Group do?





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Company Overview

- The CTD Group is a Manitoba success story
- Originally founded in a basement in Winnipeg near City Hall in 1947, it has expanded to three Manitoba locations that serve world-class manufacturers.
- As a group, we offer our customers unparalleled service, and uncommon vertical integration and diverse product line opportunities.
- Each of our facilities have been audited by and approved to be Tier 1 suppliers to world-class OEMs such as John Deere and Caterpillar.
- Each facility is ISO 9001:2015 certified, and audited annually



Canadian Tool and Die

Located at 1331 Chevrier Blvd., Winnipeg



Canadian Tool and Die is one of North America's top manufacturers of hubs, spindles, wheels, hitches, and welded hydraulic cylinders.



Integra Castings

Located at 120 Pacific St., Winkler



Integra Castings is a foundry that produces grey and ductile iron castings to customer across Canada and the United States. It recycles over 4.5M lbs of scrap steel annually.



CTD Machine Works

Located at 3420 Main St., West St. Paul, MB



Machine Works provides high quality machining services to other CTD group companies, as well as OEMs such as Case-New Holland, John Deere, and Caterpillar. It has recently expanded its offerings through the addition of a new large format Machining Centre in 2024.



Important facts about the CTD Group:

- We employ 259 employees across our three locations, down from over 400 in Q1 of 2024
- Combined wages and benefits are over \$17.5M per annum, down from \$30M
- Property taxes contribute over \$280K into municipal revenues across the Province each year
- We make a significant contribution to the Manitoba economy through our purchases from and sales to other Manitoba companies



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Important facts about the CTD Group:

- All products we manufacture are CUSMA-compliant due to our high use of Canadian materials and labour
- Purchasing policy prioritizes Manitoban and Canadian suppliers
- Over 50% of our products are exported to the United States
- Our Canadian customers who purchase our products export 50% of their whole goods to the United States



Utility Use by the CTD Group:

- The CTD Group uses a combined \$1M in electricity each year
- The CTD Group uses a combined \$300k in Natural Gas each year
- The largest user in the group is Integra Castings, who uses 71% of the group's electricity and 59% of the natural gas
- Integra Castings is also poised for significant growth, which could double monthly gas and electricity use by Q3 2026, and increase demand charges for electricity by 50-100%.



Competitive Factors faced by the CTD Group:

- CTD and Integra often compete with low-cost offshore manufacturing
- These offshore products have severely impacted our markets in North America
- Customer relationships are generally long-term, with high levels of trust built around quality and service
- Despite these relationships, the market remains price sensitive



Competitive Factors faced by the CTD Group:

- Expected onshoring post-COVID to ensure stability in supply chains has not materialized, mainly due to cost
- Continued inflationary pressure has increased Integra's manufacturing cost/pound of castings by 26.6% YTD 2025 vs 2020.
- Only 37% of this inflation has been recaptured from customers via surcharges



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Competitive Headwinds for the CTD Group:

- The margins in our industries are historically low, and look to remain so for the foreseeable future
- All CTD Group companies have become extremely lean to remain viable, and are therefore sensitive to any changes in cost
- Although tariffs have not impacted the CTD Group directly, Chinese agricultural tariffs and US section 232 tariffs have had a material impact on the agricultural equipment industry, affecting our customers and their demand for our components
- Tariff uncertainty continues to have a chilling effect on our customers and their purchasing



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Competitive Headwinds for the CTD Group:

- Continued lobbying by US industry organizations has the potential to have existing tariffs broadened to include CTD Group products
- Expanded tariffs or failures in negotiating an equivalent successor to CUSMA will make CTG Group products uncompetitive for US export
- Alternate markets for our products are not easily entered, with a long sales cycle, and other jurisdictional requirements
- Demand for labour continues to place upward pressure on wages



Impact of Proposed Hydro Increases:

- Electricity is the single largest manufacturing cost after labour and raw materials at Integra Castings
- Scales of economy are not achieved in electricity, as expected doubling of production will increase both demand and use rates
- In an uncertain environment, cost certainty is essential to be able to quote on and capture new business
- With other unknown future trade challenges, we need to ensure that manufacturing costs are controlled as tightly as possible



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Impact of Proposed Hydro Increases:

- Any funds now needed for additional Hydro will come from other operating costs and capital reinvestment
- Investment in technological innovation and automation is essential for the CTD Group to remain competitive in a changing trade environment, and maintain the quality needed by our customers
- Although we understand how other MIPUG members may have a larger impact from rate increases, it is important to consider how these increases affect a midsize company like the CTD Group



Impact of Proposed Hydro Increases:

- For Manitoba manufacturing to remain competitive, it is incredibly difficult to accept further inflationary pressure after the last five years
- Although we have researched options to transition from fossil fuels in our process to electricity, the capital and cost disadvantages already exist
- Increased hydro rates will exacerbate these challenges



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Summary:

- The CTD Group is committed to Manitoba, and has been for 78 years
- We currently employ 259 people and are looking to increase this in 2026
- The CTD Group supports multiple Manitoba suppliers for materials and components
- We have survived industry downturns and inflation, much of which was done through becoming as lean as possible
- Although market opportunities exist, our current markets are price-sensitive and difficult to replace, meaning any increase in costs much be saved elsewhere
- With a number of known and unknown business headwinds, we believe this is not an ideal time to place additional burden on industrial power users

