

rpa®

Retail Packaging Association

Retail Packaging Association Membership Survey Results 1st Quarter 2019



ADVANTAGE

Data. Driven. Decisions.

Highlights

Summary Thoughts:

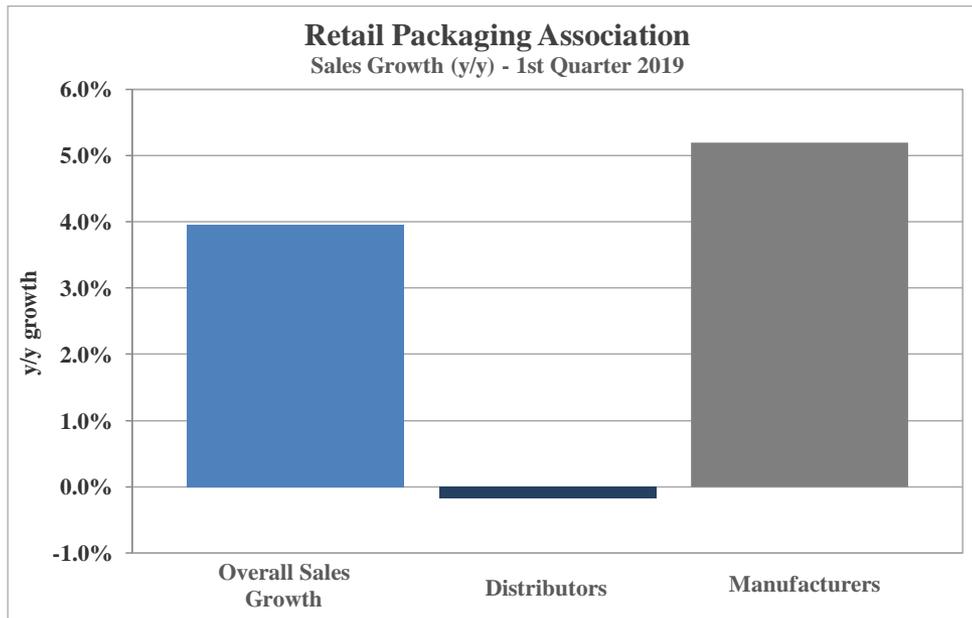
The third quarterly survey of RPA members had 17 members completing the survey.

Highlights:

- 17 members completed the survey comprised of 7 distributors and 10 manufacturers.
- Sales growth slowed to 4.0% on average in the 1st quarter with distributor's reporting flattish sales compared with ~5% average growth for manufacturers.
- Food service / restaurants, and e-Commerce were highlighted as the strongest performing end markets. Floral softened the most from 4Q with tariffs continuing to contribute to the weakness.
- Nearly 90% of participants reported higher product prices with an average increase of 1.7%.
- Overall, lead-times appear to be stabilizing resulting in slightly lower inventory levels and improved inventory sentiment.
- The average outlook for 2019 increased to 5.5% up 100bps from last quarter and nearly 200bps higher than the initial outlook calling for 3.6% growth. This suggests participating members are anticipating somewhat faster growth this year compared with average growth of ~4% in 2018.

1Q Sales Growth

Average sales in 1Q19 increased 4.0% year-over-year compared with 5.9% growth in 4Q18. Despite the slower growth in the quarter, a net 12% of participants categorized results as better-than-expected (23% better-than-expected; 65% inline; 12% worse-than-expected). Growth rates among Manufacturers of ~5% outpaced flattish average growth for Distributors as weather appears to have impacted sales in certain areas.



Sales Growth (year-over-year % chg)			
	3Q18	4Q18	1Q19
Distributors	5.5%	9.2%	-0.2%
Manufacturers	3.1%	3.4%	5.2%
Total	4.4%	5.9%	4.0%

Sales vs Expectations			
	3Q18	4Q18	1Q19
Better-than-expected	26%	27%	24%
Inline with expectations	44%	32%	65%
Worse-than-expected	30%	41%	12%
Net (% better minus % worse)	-4%	-14%	12%

Participants Reporting Sales Growth			
	3Q18	4Q18	1Q19
Positive	67%	68%	59%
Flat	4%	14%	24%
Negative	30%	18%	18%
Net (% positive minus % negative)	37%	50%	41%