



Retail Packaging Association Membership Survey Results 4th Quarter 2020

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Highlights

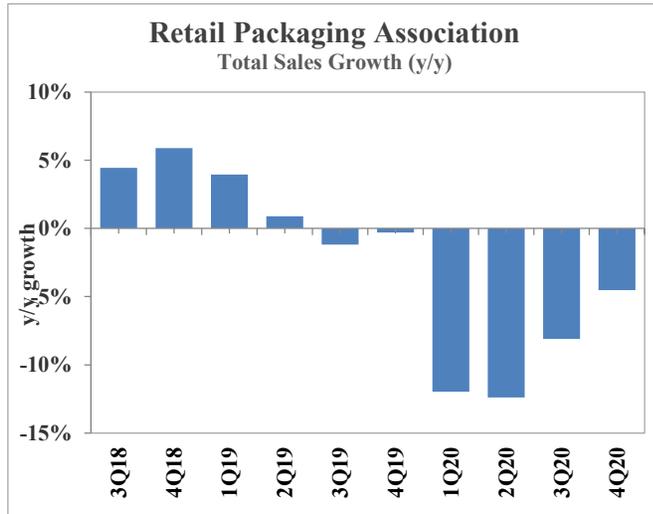


Highlights:

- 14 members completed the survey comprised of 7 distributors and 7 manufacturers.
- 4Q sales growth improved from prior trend with average sales declining 4.5% year-over-year in the quarter, compared with a decline of 8.1% in 3Q20 and ~12% in the first half of 2020.
- e-Commerce, grocery stores, and restaurants showed meaningful improvement from 2Q and were the only positive end markets in 4Q. Not surprisingly, the three retail segments (specialty, niche, and mass market) and floral remain firmly in negative territory due to Covid-19 related restrictions.
- Price contribution was flat in the quarter following a very modest dip into negative territory in 2Q/3Q.
- The initial outlook calls for 8.7% growth on average in 2021 with over 85% of participants forecasting growth for the year.

4Q Sales Growth

While still down year-over-year, 4Q sales growth improved from prior trend as 3Q and 1H4Q20 turned sharply negative amidst Covid-19 related retail closures. Average sales declined 4.5% year-over-year in the quarter, compared with a decline of 8.1% in 3Q20 and ~12% in the first half of 2020. Notably, a net 14% of participants categorized results as better-than-expected (57% better-than-expected; 0% inline; 43% worse-than-expected) which marks the first positive reading this year.



Sales Growth (year-over-year % chg)										
	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20
Distributors	5.5%	9.2%	-0.2%	0.0%	-4.3%	-0.8%	-17.0%	-24.6%	4.7%	-1.1%
Manufacturers	3.1%	3.4%	5.2%	1.5%	0.9%	0.1%	-6.2%	0.7%	-16.4%	-8.2%
Average Sales Gwth	4.4%	5.9%	4.0%	0.9%	-1.2%	-0.3%	-12.0%	-12.4%	-8.1%	-4.5%

Sales vs Expectations										
	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20
Better-than-expected	26%	27%	24%	19%	15%	5%	8%	25%	34%	43%
Inline with expectations	44%	32%	65%	55%	45%	68%	8%	8%	18%	29%
Worse-than-expected	30%	41%	12%	26%	40%	26%	83%	67%	48%	29%
Net (% better - % worse)	-4%	-14%	12%	-7%	-25%	-21%	-75%	-42%	-14%	14%

Participants Reporting Sales Growth										
	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20
Positive	67%	68%	59%	45%	35%	53%	8%	25%	40%	57%
Flat	4%	14%	24%	15%	15%	11%	17%	0%	0%	0%
Negative	30%	18%	18%	40%	50%	37%	75%	75%	60%	43%
Net (% pos - % neg)	37%	50%	41%	5%	-15%	16%	-67%	-50%	-20%	14%

Source: RPA Survey