Retail Packaging Association

Retail Packaging Association
Membership Survey Results
1st Quarter 2021

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Highlights

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- 8 members completed the survey comprised of 3 distributors and 5 manufacturers.

- 1Q sales increased 1% on average in 1Q21 a nice improvement from 4.5% decline in 4Q. This marks the first quarter in positive territory since 2Q19.

- Food Service / Restaurants and all Retail end markets showed improvement from 4Q as the economy begins to reopen. Overall, four of seven markets ranked in positive territory up from three in 4Q with Grocery Stores and eCommerce remaining the strongest markets.

- Supply chain challenges and improving sales are driving inventory sharply lower as inventory levels were reported as lower sequentially by a net 57% of participants.

- The average outlook for full year 2021 was revised slightly higher to 9.3% up from 8.7% in the 4Q survey. 100% of participants are now forecasting growth for the year.

1Q Sales Growth

Average sales increased 1% year-over-year in 1Q21. This marks the first quarter in positive territory since 2Q19 as a net 75% of participants categorized results as better-than-expected (75% better-than-expected; 0% inline; 25% worse-than-expected).

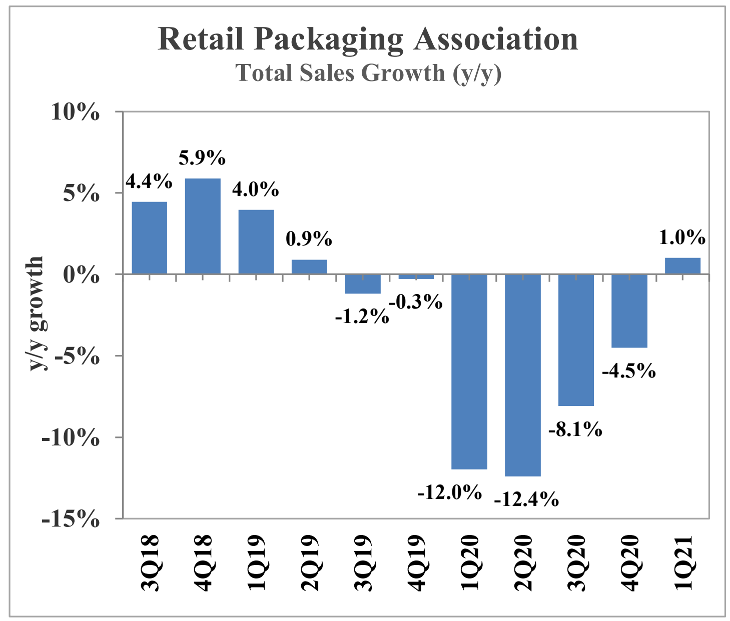
Price contribution at 2.7% in the quarter, was the strongest in the history of the survey. As a net 88% of participants reported higher product prices in 1Q.

Sales Growth (year-over-year % chg)	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21
Distributors	5.5%	9.2%	-0.2%	0.0%	-4.3%	-0.8%	-17.0%	-24.6%	4.7%	-1.1%	13.3%
Manufacturers	3.1%	3.4%	5.2%	1.5%	0.9%	0.1%	-6.2%	0.7%	-16.4%	-8.2%	-3.0%
Average Sales Gwth	**4.4%**	**5.9%**	**4.0%**	**0.9%**	**-1.2%**	**-0.3%**	**-12.0%**	**-12.4%**	**-8.1%**	**-4.5%**	**1.0%**

Sales vs Expectations	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21
Better-than-expected	26%	27%	24%	19%	15%	5%	8%	25%	34%	43%	75%
Inline with expectations	44%	32%	65%	55%	45%	68%	8%	8%	18%	29%	25%
Worse-than-expected	30%	41%	12%	26%	40%	26%	83%	67%	48%	29%	0%
Net (% better - % worse)	**-4%**	**-14%**	**12%**	**-7%**	**-25%**	**-21%**	**-75%**	**-42%**	**-14%**	**14%**	**75%**

Participants Reporting Sales Growth	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21
Positive	67%	68%	59%	45%	35%	53%	8%	25%	40%	57%	75%
Flat	4%	14%	24%	15%	15%	11%	17%	0%	0%	0%	0%
Negative	30%	18%	18%	40%	50%	37%	75%	75%	60%	43%	25%
Net (% pos - % neg)	**37%**	**50%**	**41%**	**5%**	**-15%**	**16%**	**-67%**	**-50%**	**-20%**	**14%**	**50%**

Product Prices (year-over-year)	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21
Higher	81%	64%	88%	82%	75%	53%	42%	42%	53%	64%	88%
Same	15%	36%	12%	16%	20%	42%	58%	50%	43%	36%	13%
Lower	4%	0%	0%	3%	5%	5%	0%	8%	4%	0%	0%
Net (% Higher minus % Lower)	**78%**	**64%**	**88%**	**79%**	**70%**	**47%**	**42%**	**33%**	**49%**	**64%**	**88%**
Avg Price Contribution to Growth	**1.8%**	**1.8%**	**1.7%**	**1.3%**	**0.9%**	**0.5%**	**0.0%**	**-0.1%**	**-0.1%**	**0.0%**	**2.7%**



Source: RPA Survey