



**Information Involvement Influence**

## UK Market Update January 2021

Sales - Coronavirus – Growth – Market Factors

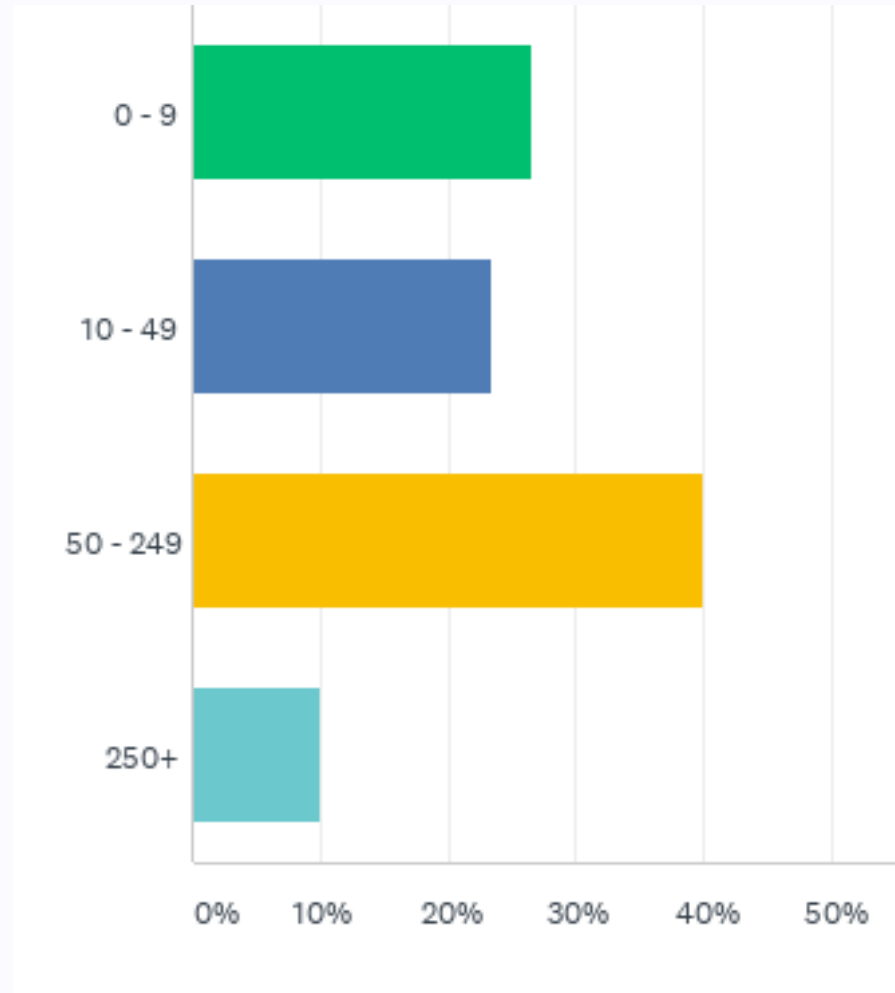
# UK Market Update - Survey Background

- FEA Outlook Survey is circulated to FEA Primary Contacts database at the end of every quarter.
- The purpose of FEA is to provide a market-wide member-centric assessment of the business climate.
- 30 member companies took part in the Q4 survey, the split can be seen below.

## Outlook Survey Q4 Respondent mix

ANSWER CHOICES	RESPONSES	
UK manufacturer	40.00%	12
A distributor of products manufactured outside of the UK	56.67%	17
An equipment reseller / dealer	13.33%	4
A service company	13.33%	4
Other (please specify)	20.00%	6
Total Respondents: 30		

# How many staff do you employ?



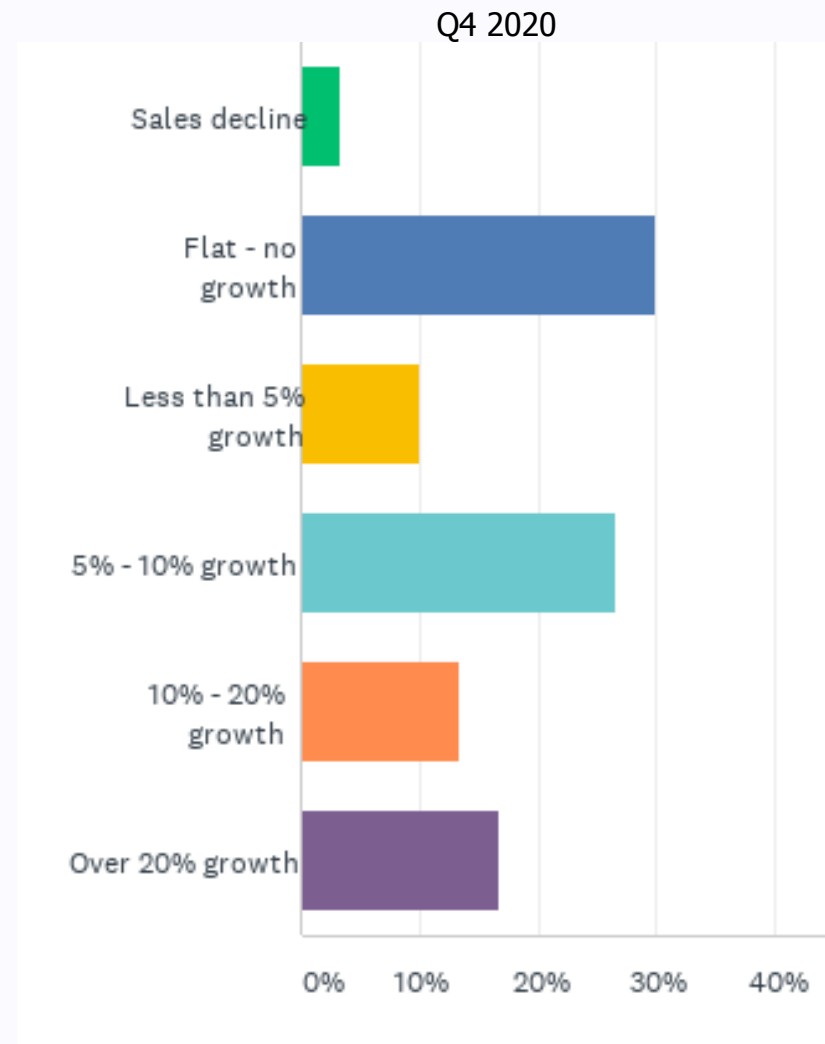
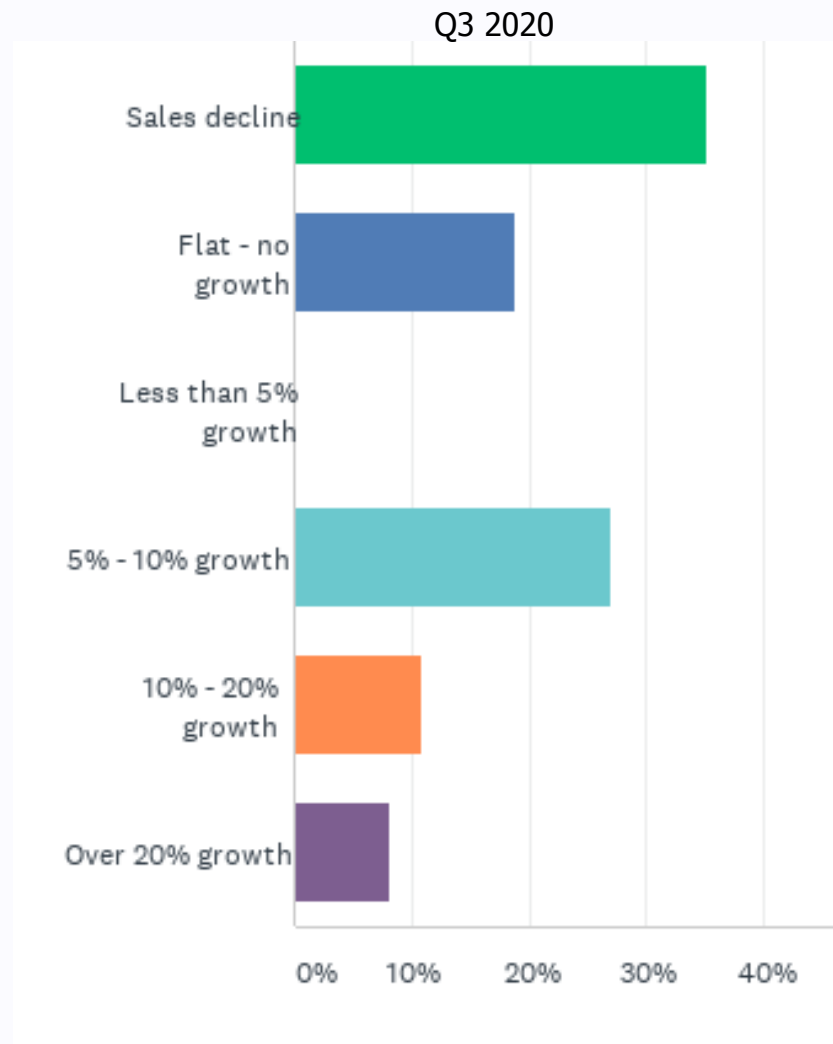
ANSWER CHOICES	RESPONSES	
0 - 9	26.67%	8
10 - 49	23.33%	7
50 - 249	40.00%	12
250+	10.00%	3
TOTAL		30



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# Current and Forecast Sales

# What level of growth would you forecast over the next 12 months?



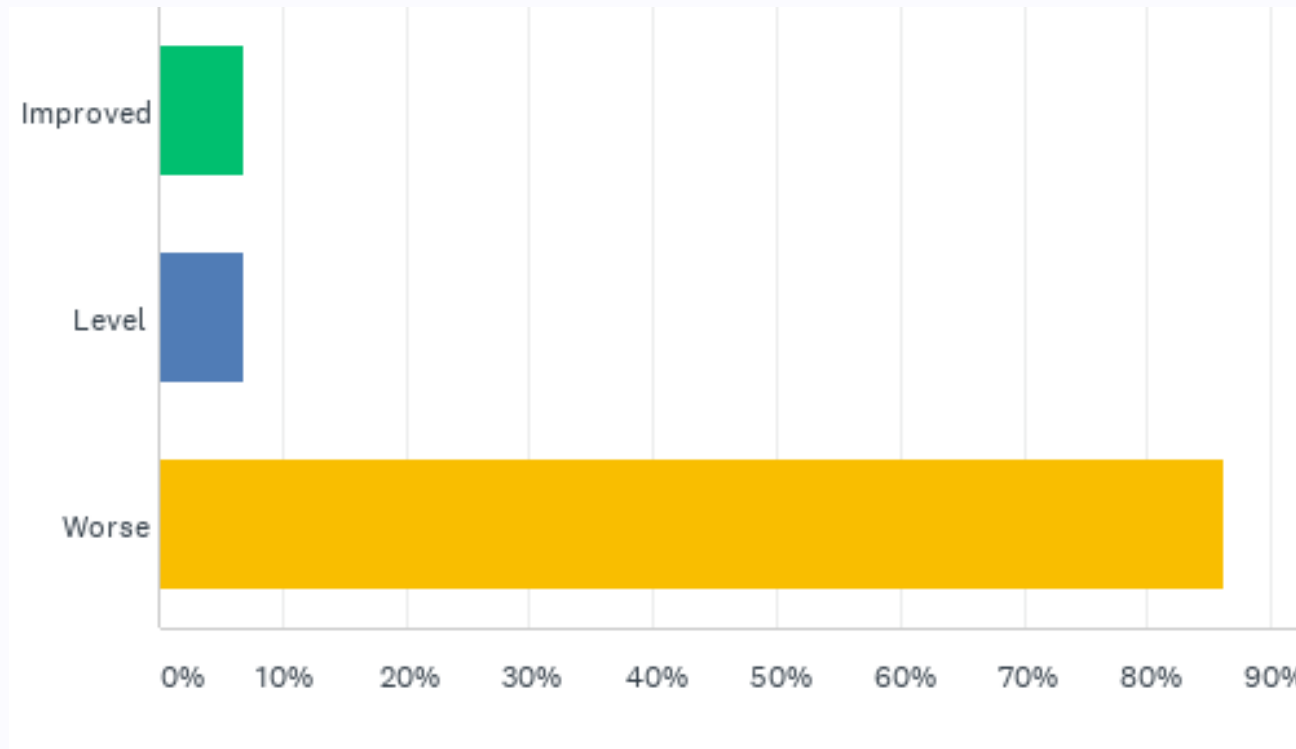
Source: FEA Outlook Survey Quarter Four 2020: Q5 What level of growth would you forecast over the next 12 months?

# What level of growth would you forecast over the next 12 months?

ANSWER CHOICES	RESPONSES Q3 2020	RESPONSES Q4 2020		
Sales decline	35.14%	3.33%		1
Flat - no growth	18.92%	30.00%		9
Less than 5% growth	0.00%	10.00%		3
5% - 10% growth	27.03%	26.67%		8
10% - 20% growth	10.81%	13.33%		4
Over 20% growth	8.11%	16.67%		5
TOTAL				30

93% of respondents have made strategic adjustments based on their forecasts compared to 89% last quarter

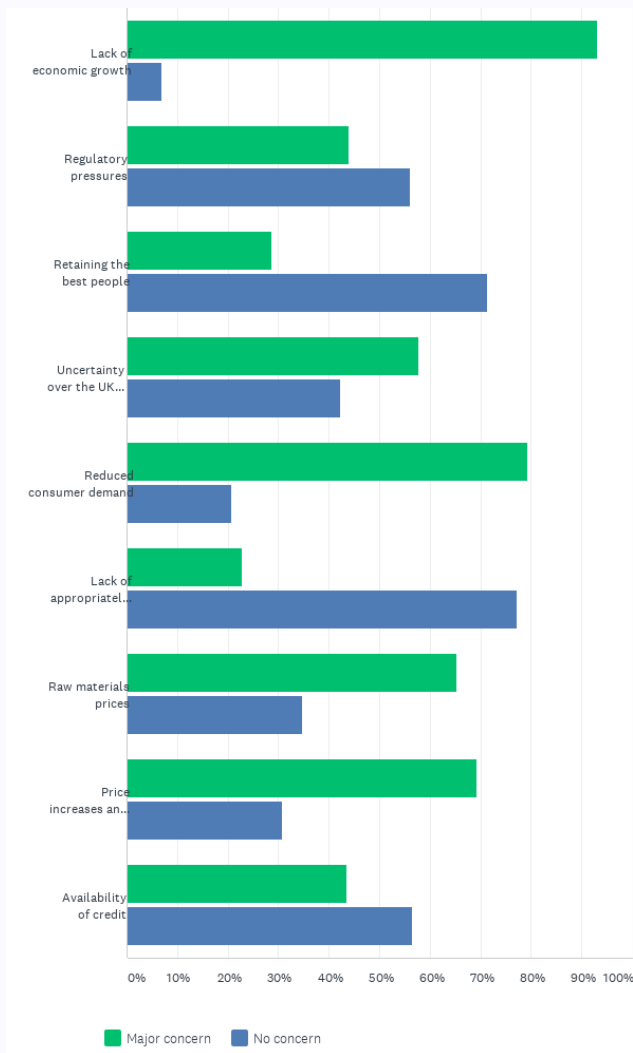
# How did your sales from this quarter compare to the same period last year? (Oct/Nov/Dec 2019 vs. Oct/Nov/Dec 2020)



ANSWER CHOICES	RESPONSES
Improved	6.90% 2
Level	6.90% 2
Worse	86.21% 25
TOTAL	29

Source: FEA Outlook Survey Quarter Four 2020: Q7 How did your sales from the last full twelve months compare to the same period last year?

# Major concerns over the next 12 months – tick all that apply



	MAJOR CONCERN	NO CONCERN
1. Lack of economic growth	93.10% 27	6.90% 2
Regulatory pressures	44.00% 11	56.00% 14
Retaining the best people	28.57% 6	71.43% 15
Uncertainty over the UK role in Europe	57.69% 15	42.31% 11
2. Reduced consumer demand	79.31% 23	20.69% 6
Lack of appropriately trained staff	22.73% 5	77.27% 17
4. Raw materials prices	65.22% 15	34.78% 8
3. Price increases and inflation	69.23% 18	30.77% 8
Availability of credit	43.48% 10	56.52% 13

Source: FEA Outlook Survey Quarter Four 2020: Q8 Which of the following are major issues of concern for your business over the next twelve months? (tick all that apply)

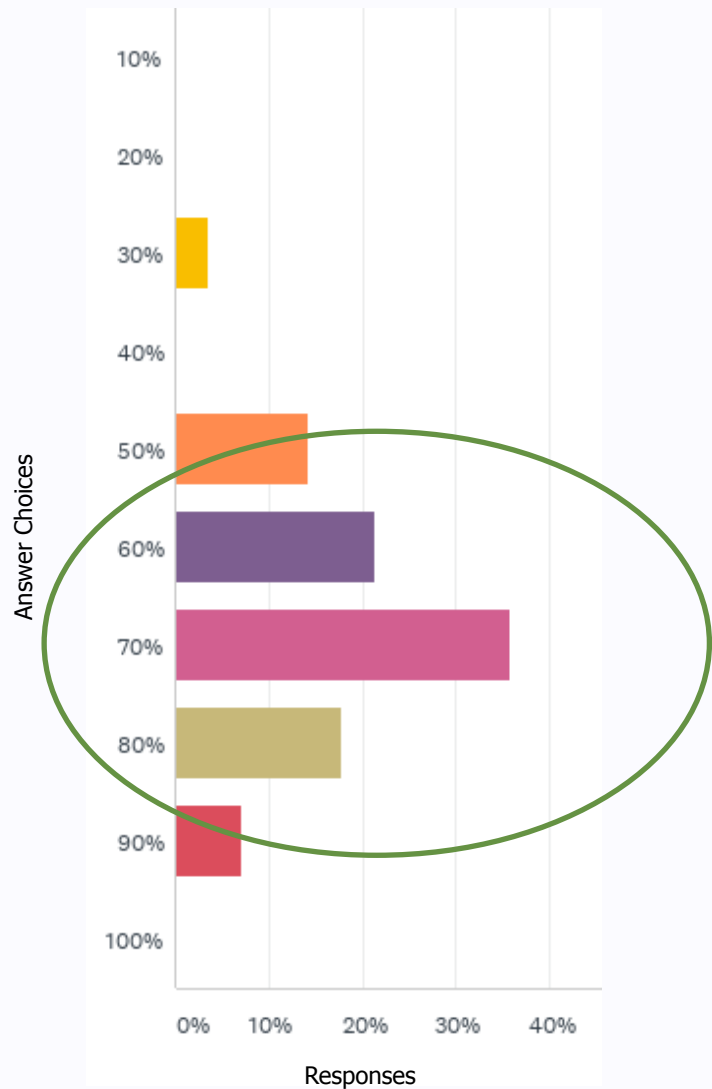




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# The effects of Coronavirus

# Compared to your pre-Covid sales what are your current sales as a %?



ANSWER CHOICES	RESPONSES
10%	0.00%
20%	0.00%
30%	3.57%
40%	0.00%
50%	14.29%
60%	21.43%
70%	35.71%
80%	17.86%
90%	7.14%
100%	0.00%
TOTAL	

This quarter saw less of a spread with current sales concentrated around 50% and above. Demonstrating a move in a positive direction.

Source: FEA Outlook Survey Quarter Four 2020: Q14 Compared to your pre-Covid sales what are your current sales as a %?

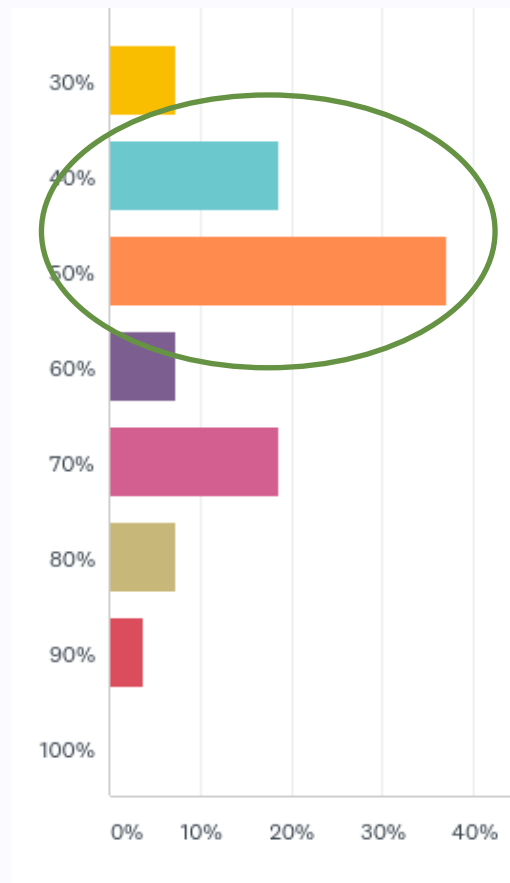
The following slides show six, twelve and eighteen month forecasts from our Q2, Q3 and Q4 surveys.

Our quarter two survey results painted an ominous picture with respondents foreseeing business operations operating at a fraction of what they were pre-Covid.

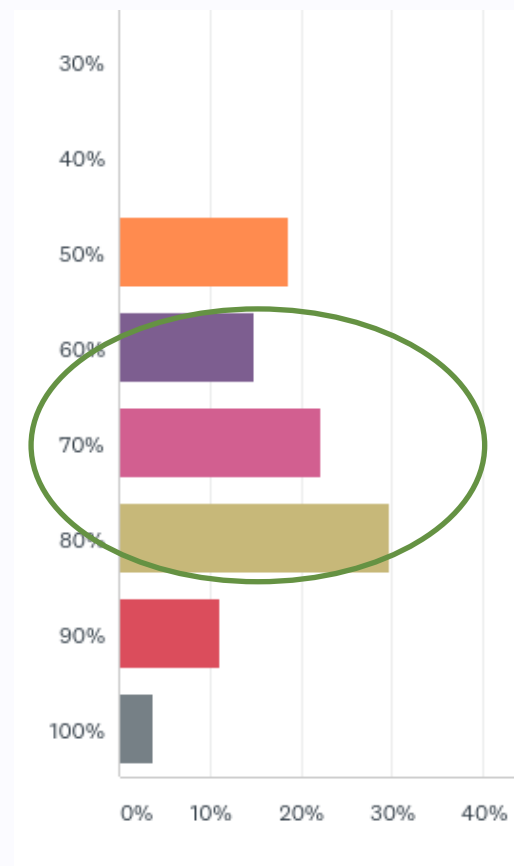
The latter surveys show that respondents expect the market to be in a strong position towards the end of 2021 and mid-2022.

# Q2 Survey results - What % of your pre-Covid sales do you expect to achieve in:

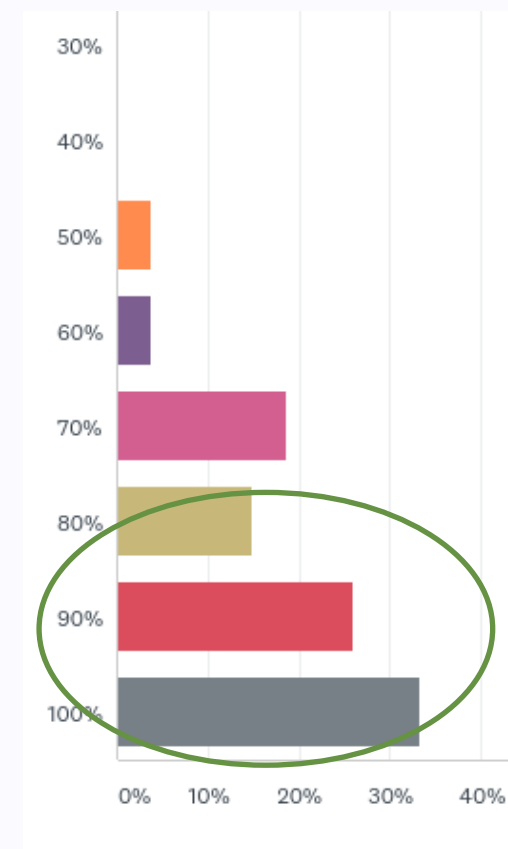
Six months  
(December 2020)



Twelve months  
(June 2021)

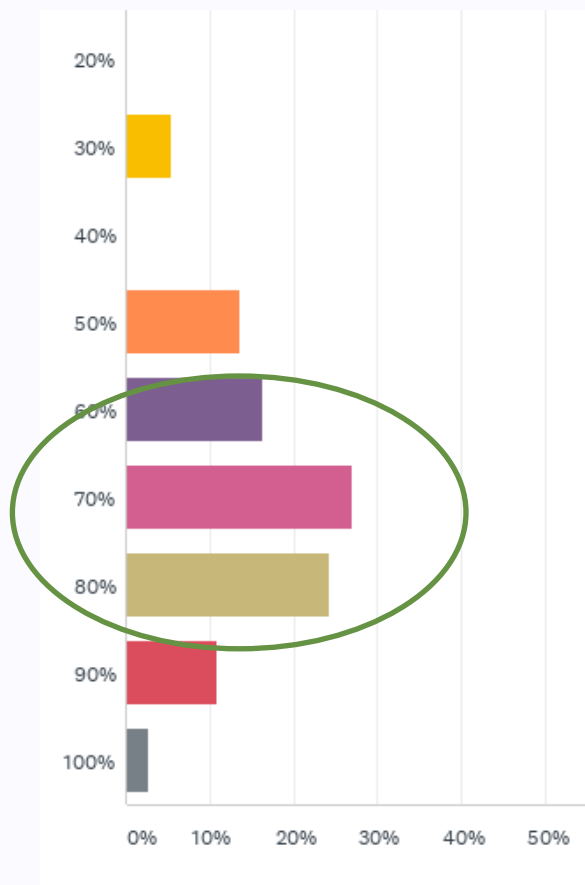


Eighteen months  
(December 2021)

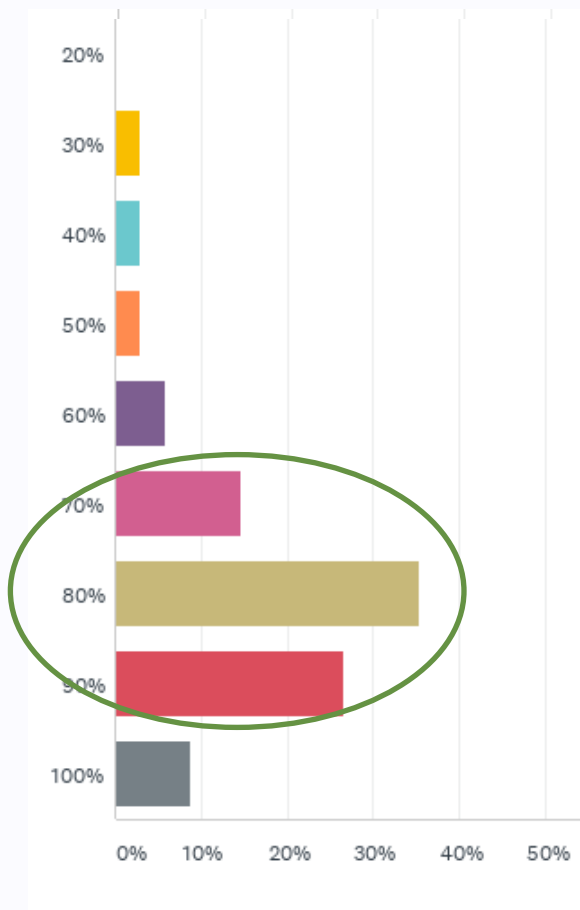


# Q3 Survey results: What % of your pre-Covid sales do you expect to achieve in:

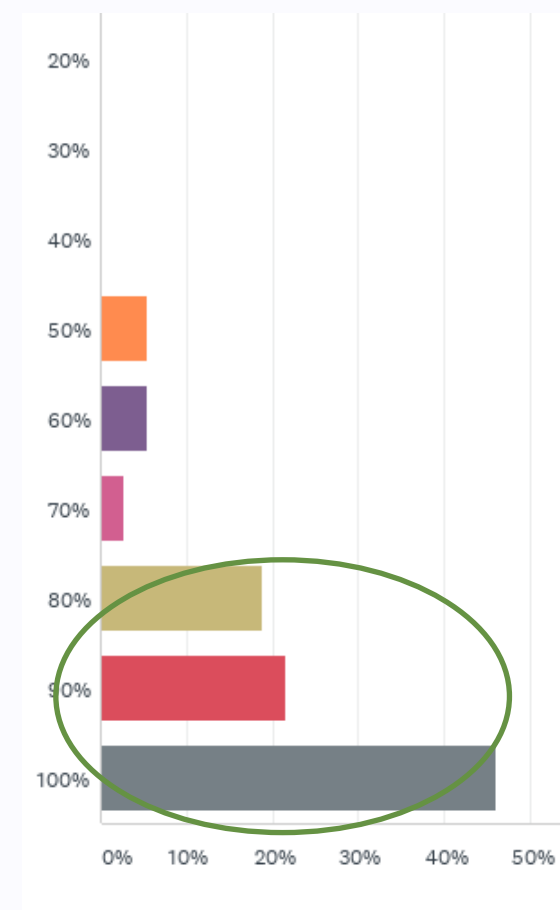
Six months  
(March 2021)



Twelve months  
(September 2021)



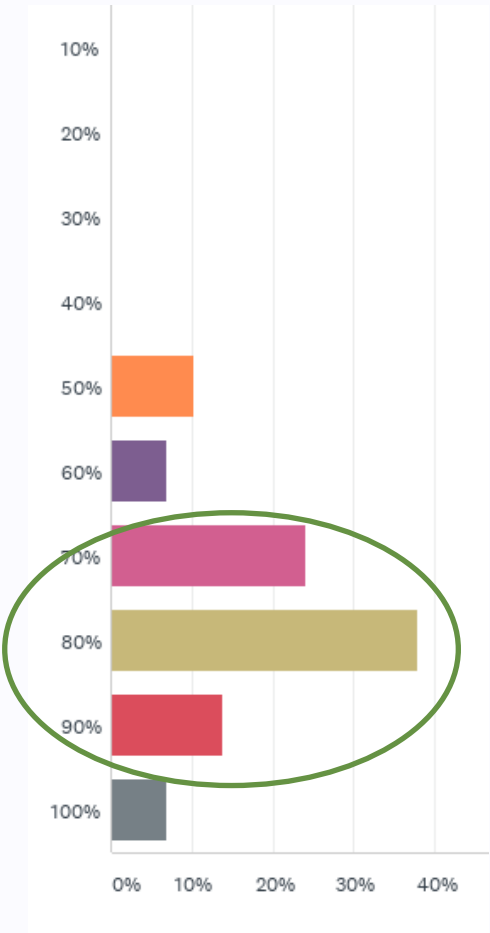
Eighteen months  
(March 2022)



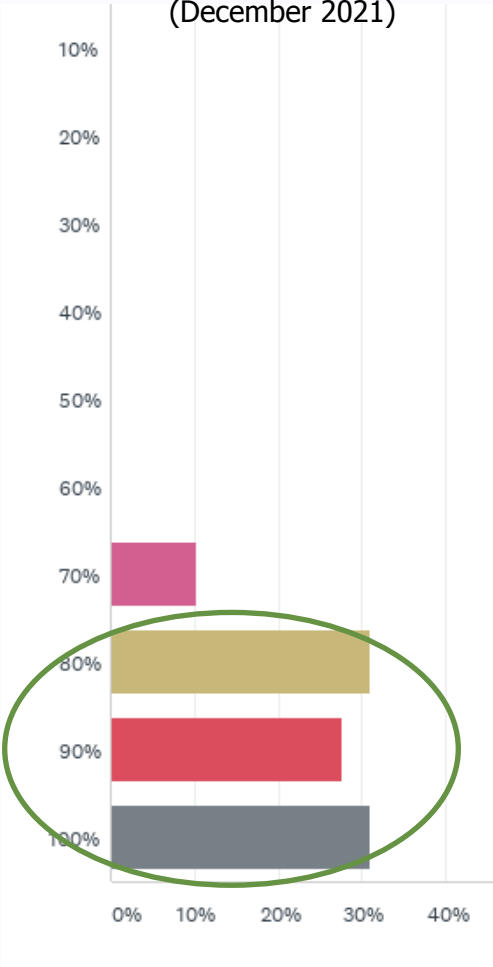
Source: FEA Outlook Survey **Quarter Three** 2020: Q15, Q16, Q17: What % of your pre-Covid sales do you expect to achieve in:

# Q4 Survey results: What % of your pre-Covid sales do you expect to achieve in:

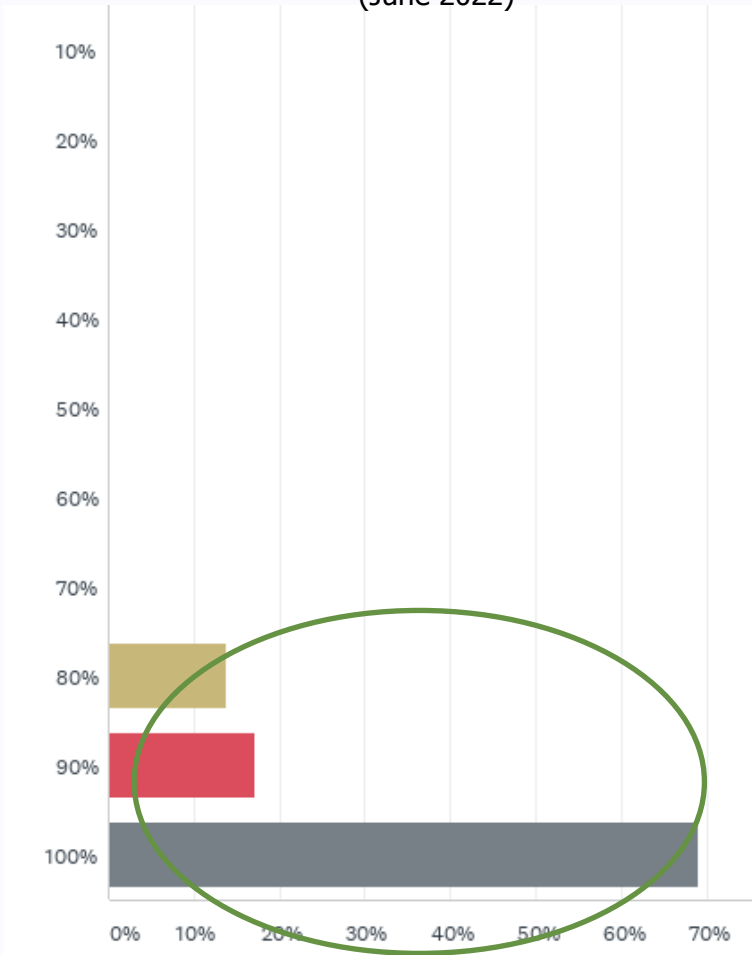
Six months  
(June 2021)



Twelve months  
(December 2021)



Eighteen months  
(June 2022)



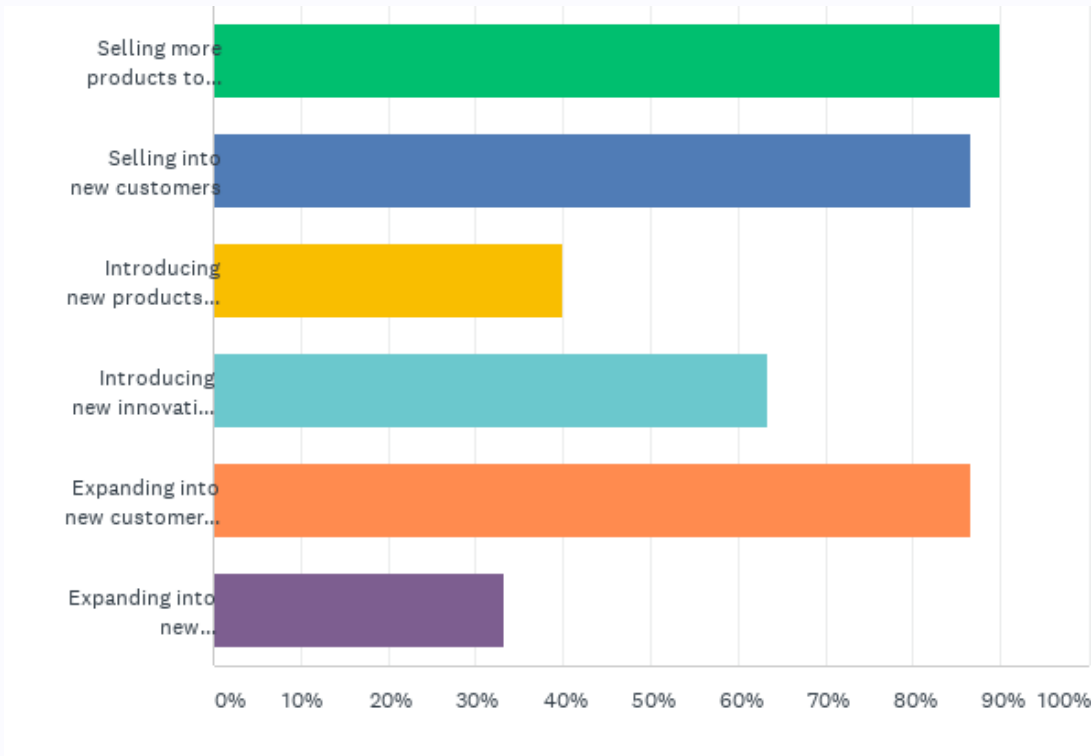
Source: FEA Outlook Survey **Quarter Four** 2020: Q15, Q16, Q17: What % of your pre-Covid sales do you expect to achieve in:



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Driving Growth

# Which of these routes do you think will be the most important drivers of your growth over the next twelve months?

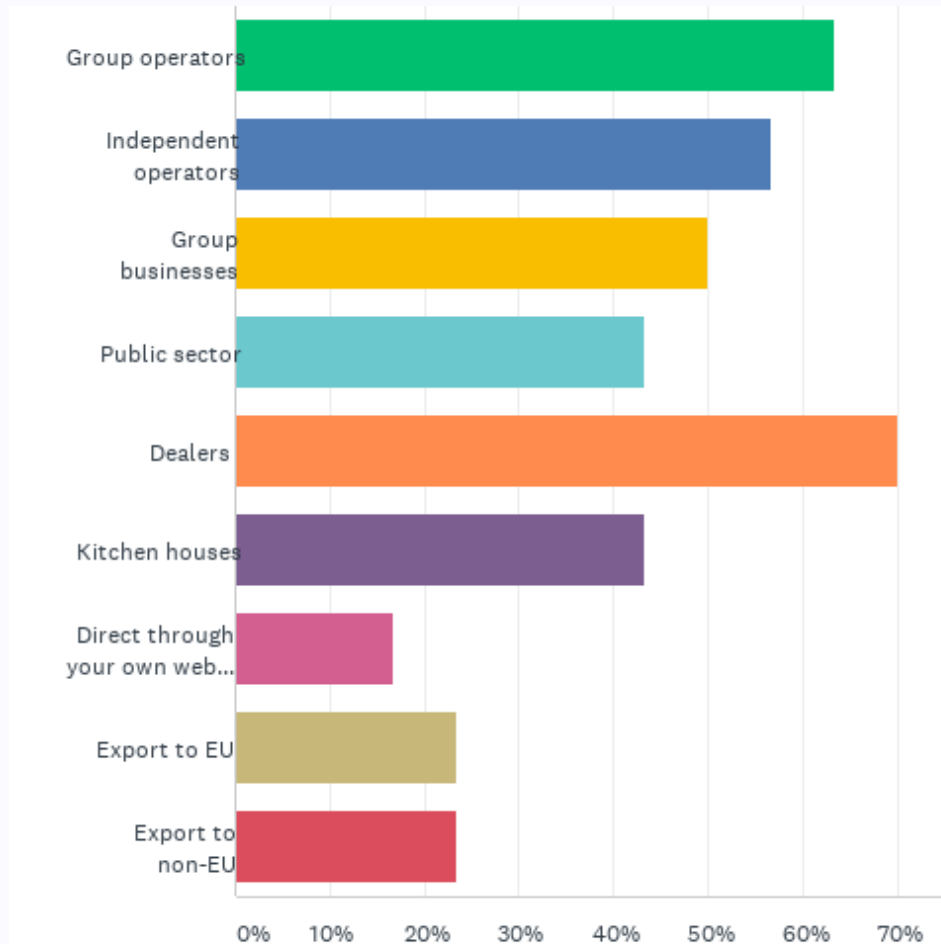


ANSWER CHOICES		RESPONSES	
1.	Selling more products to existing customers	90.00%	27
2-	Selling into new customers	86.67%	26
	Introducing new products to target a competitors products	40.00%	12
	Introducing new innovative products to the market	63.33%	19
2-	Expanding into new customer segments	86.67%	26
	Expanding into new geographical regions	33.33%	10
Total Respondents: 30			

Source: FEA Outlook Survey Quarter Four 2020: Q10 Which of these routes do you think will be the most important drivers of your growth over the next twelve months? (Tick all that apply)



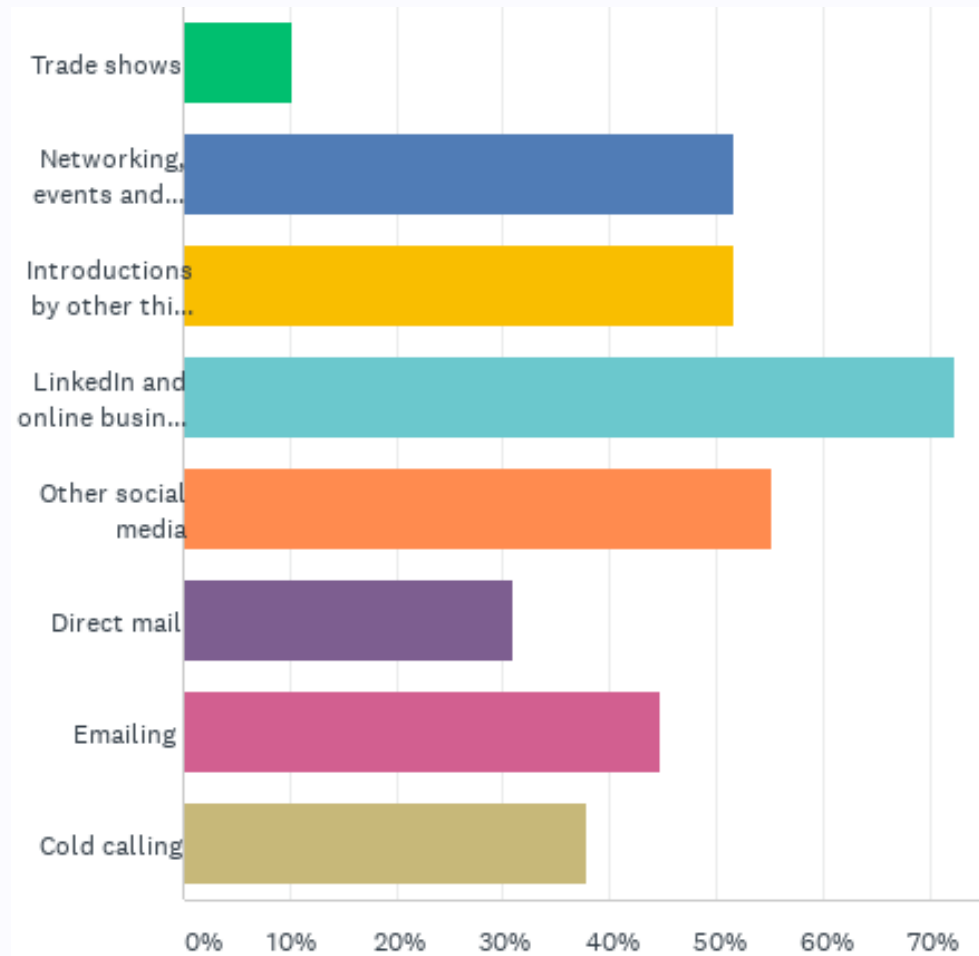
# Where will you be focusing your sales efforts during the next twelve months? (Tick all that apply)



ANSWER CHOICES		RESPONSES	
2.	Group operators	63.33%	19
3.	Independent operators	56.67%	17
	Group businesses	50.00%	15
	Public sector	43.33%	13
1.	Dealers	70.00%	21
	Kitchen houses	43.33%	13
	Direct through your own web presence	16.67%	5
	Export to EU	23.33%	7
	Export to non-EU	23.33%	7
Total Respondents: 30			

Source: FEA Outlook Survey Quarter Four 2020: Q11 Where will you be focusing your sales efforts during the next twelve months? (Tick all that apply)

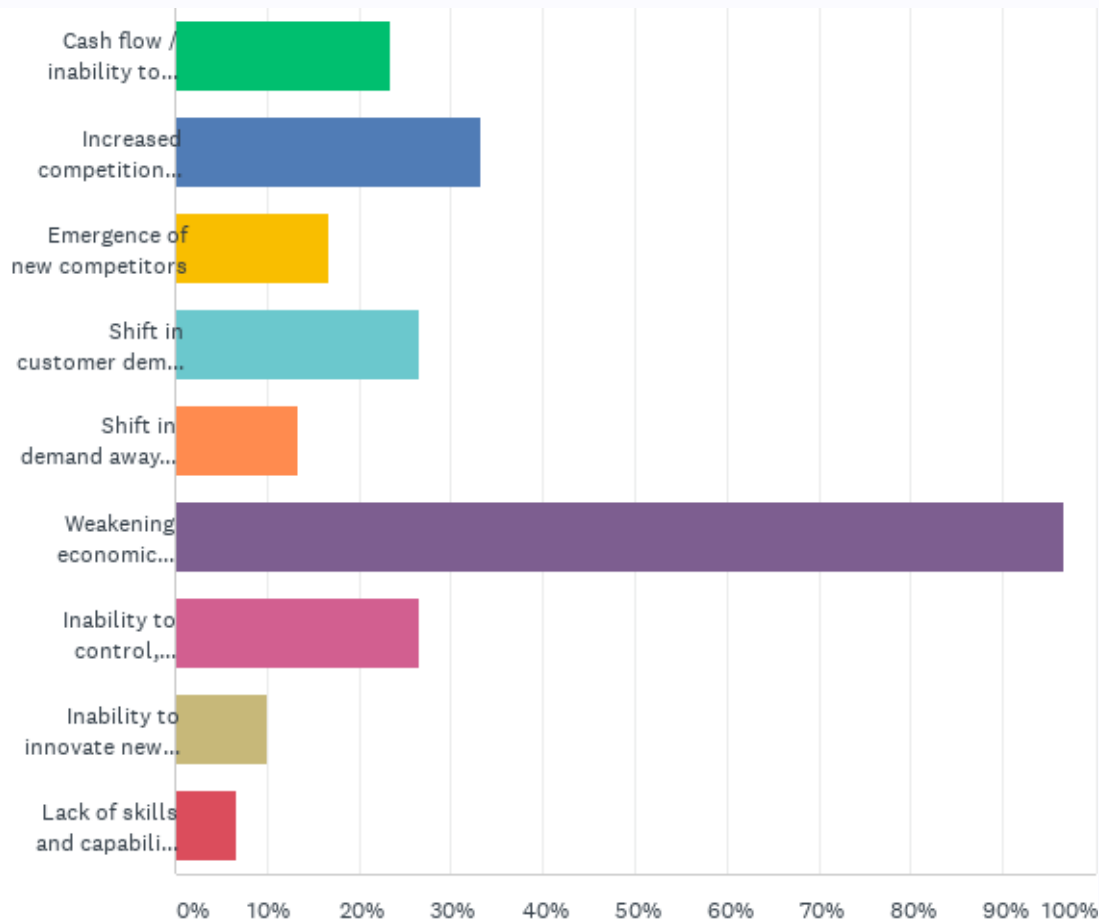
# How do you anticipate your sales team will make contact with new buyers in the future? (Select up to three)



ANSWER CHOICES		RESPONSES	
	Trade shows	10.34%	3
3.	Networking, events and conferences	51.72%	15
	Introductions by other third parties	51.72%	15
1.	LinkedIn and online business platforms	72.41%	21
2.	Other social media	55.17%	16
	Direct mail	31.03%	9
	Emailing	44.83%	13
	Cold calling	37.93%	11
Total Respondents: 29			

Source: FEA Outlook Survey Quarter Four 2020: Q12 How do you anticipate your sales team will make contact with new buyers in the future? (Select up to three)

# Which of the following options represent the greatest threat to your growth in the current climate? (Select up to three)



ANSWER CHOICES		RESPONSES	
	Cash flow / inability to secure investment	23.33%	7
2.	Increased competition from existing competitors	33.33%	10
	Emergence of new competitors	16.67%	5
3-	Shift in customer demand away from your products	26.67%	8
	Shift in demand away from your / your customers' brands	13.33%	4
1.	Weakening economic environment	96.67%	29
3-	Inability to control, mitigate or pass on cost increases	26.67%	8
	Inability to innovate new products	10.00%	3
	Lack of skills and capability in sales and negotiation	6.67%	2
Total Respondents: 30			

Source: FEA Outlook Survey Quarter Four 2020: Q13 Which of the following options represent the greatest threat to your growth in the current climate? (Select up to three)



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