## EFC Pulse - Customer Supply / Demand - RESULTS - December 4th

Please find the latest comparison data on the bi-weekly supply and demand pulse. This poll is meant to be a snapshot of the industry at that point in time.
EFC plans to continue with our bi-weekly poll at least until Q1 2021. Look for new questions to the poll starting in the new year.

All EFC Manufacturers and Distributors are invited to provide input, however we are not closely tracking which companies are responding each week, thus the results will fluctuate based on that week's make up.

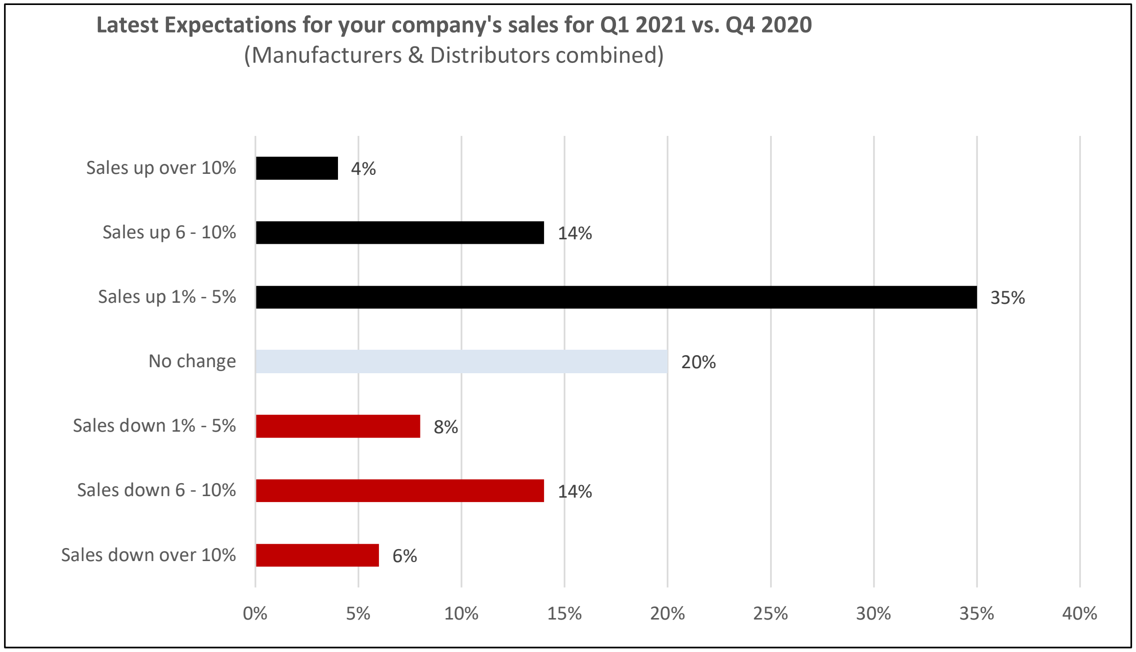
EFC will continue to monitor the status of our industry for the weeks to come. We encourage you to continue to provide input. THANK YOU !

### Q1. Looking ahead to the next quarter, what are you expectations for your company's sales for Q1 2021 vs. Q1 2020?

| MANUFACTURERS | Dec 4 |
|---|---|
| Sales down over 10% | 10% |
| Sales down 6 - 10% | 3% |
| Sales down 1% - 5% | 3% |
| No change | 23% |
| Sales up 1% - 5% | 39% |
| Sales up 6 - 10% | 19% |
| Sales up over 10% | 3% |

| DISTRIBUTORS | Dec 4 |
|---|---|
| Sales down over 10% | 0% |
| Sales down 6 - 10% | 30% |
| Sales down 1% - 5% | 15% |
| No change | 15% |
| Sales up 1% - 5% | 30% |
| Sales up 6 - 10% | 5% |
| Sales up over 10% | 5% |

| COMBINED | Dec 4 |
|---|---|
| Sales down over 10% | 6% |
| Sales down 6 - 10% | 14% |
| Sales down 1% - 5% | 8% |
| No change | 20% |
| Sales up 1% - 5% | 35% |
| Sales up 6 - 10% | 14% |
| Sales up over 10% | 4% |

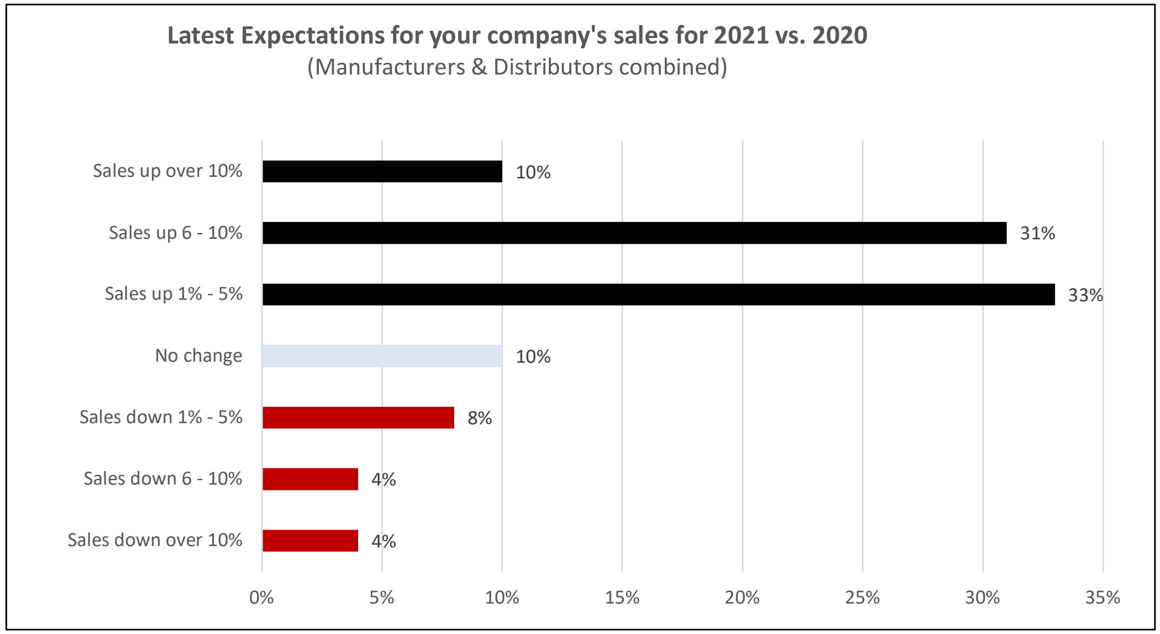


**Q2. Looking ahead to next year, what are you expectations for your company's sales for 2021 vs. 2020?**

| MANUFACTURERS | Dec 4 |
|---|---|
| Sales down over 10% | 6% |
| Sales down 6 - 10% | 0% |
| Sales down 1% - 5% | 0% |
| No change | 13% |
| Sales up 1% - 5% | 26% |
| Sales up 6 - 10% | 42% |
| Sales up over 10% | 13% |

| DISTRIBUTORS | Dec 4 |
|---|---|
| Sales down over 10% | 0% |
| Sales down 6 - 10% | 10% |
| Sales down 1% - 5% | 20% |
| No change | 5% |
| Sales up 1% - 5% | 45% |
| Sales up 6 - 10% | 15% |
| Sales up over 10% | 5% |

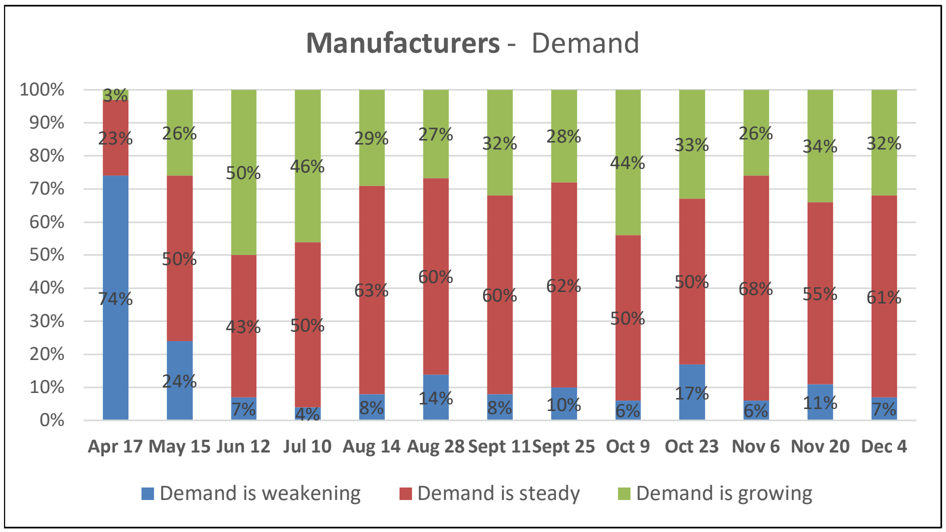
| COMBINED | Dec 4 |
|---|---|
| Sales down over 10% | 4% |
| Sales down 6 - 10% | 4% |
| Sales down 1% - 5% | 8% |
| No change | 10% |
| Sales up 1% - 5% | 33% |
| Sales up 6 - 10% | 31% |
| Sales up over 10% | 10% |

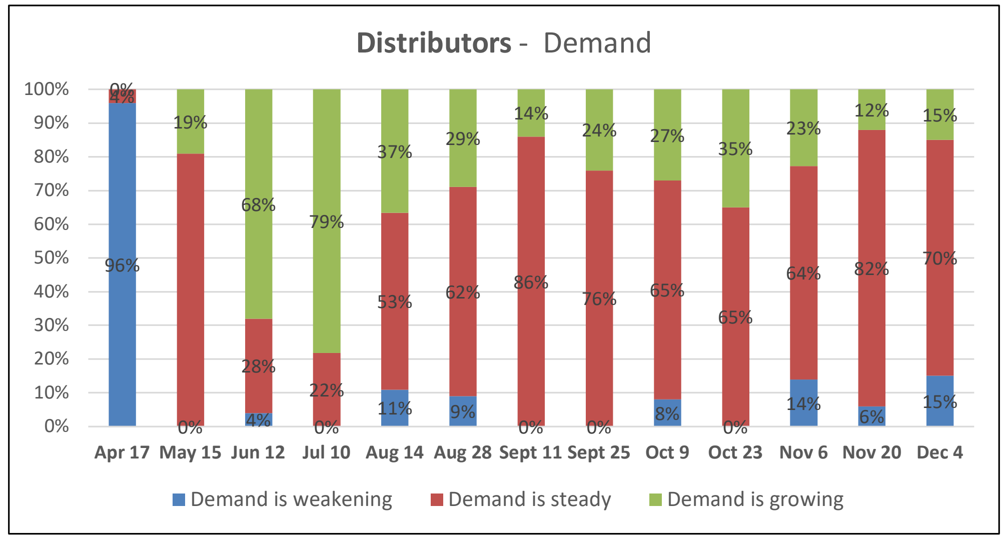


## Q3. Please indicate the status of DEMAND as it relates to your business on a YTD basis:

| MANUFACTURERS | Apr 17 | May 15 | Jun 12 | Jul 10 | Aug 14 | Aug 28 | Sept 11 | Sept 25 | Oct 9 | Oct 23 | Nov 6 | Nov 20 | Dec 4 | Change from |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Demand is weakening | 74% | 24% | 7% | 4% | 8% | 14% | 8% | 10% | 6% | 17% | 6% | 11% | 7% | -4% |
| Demand is steady | 23% | 50% | 43% | 50% | 63% | 60% | 60% | 62% | 50% | 50% | 68% | 55% | 61% | 6% |
| Demand is growing | 3% | 26% | 50% | 46% | 29% | 27% | 32% | 28% | 44% | 33% | 26% | 34% | 32% | -2% |

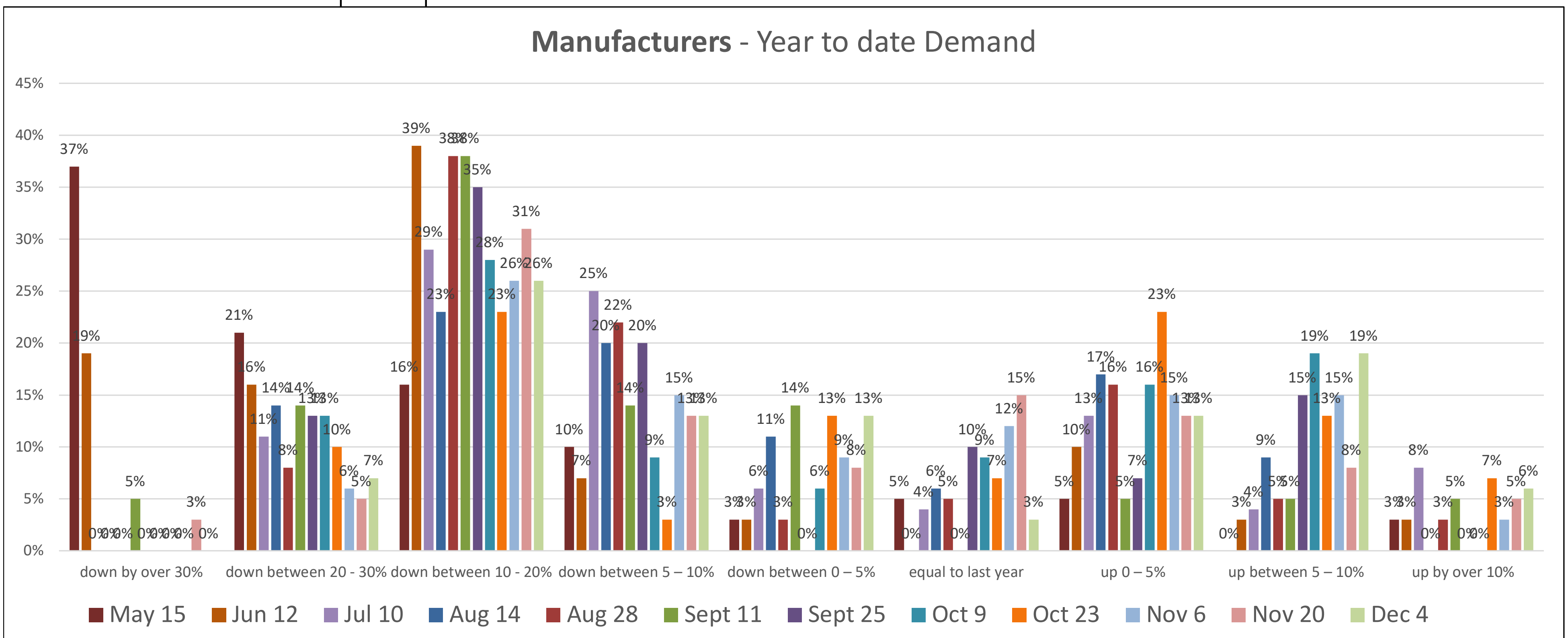
| DISTRIBUTORS | Apr 17 | May 15 | Jun 12 | Jul 10 | Aug 14 | Aug 28 | Sept 11 | Sept 25 | Oct 9 | Oct 23 | Nov 6 | Nov 20 | Dec 4 | Change from |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Demand is weakening | 96% | 0% | 4% | 0% | 11% | 9% | 0% | 0% | 8% | 0% | 14% | 6% | 15% | 9% |
| Demand is steady | 4% | 81% | 28% | 22% | 53% | 62% | 86% | 76% | 65% | 65% | 64% | 82% | 70% | -12% |
| Demand is growing | 0% | 19% | 68% | 79% | 37% | 29% | 14% | 24% | 27% | 35% | 23% | 12% | 15% | 3% |



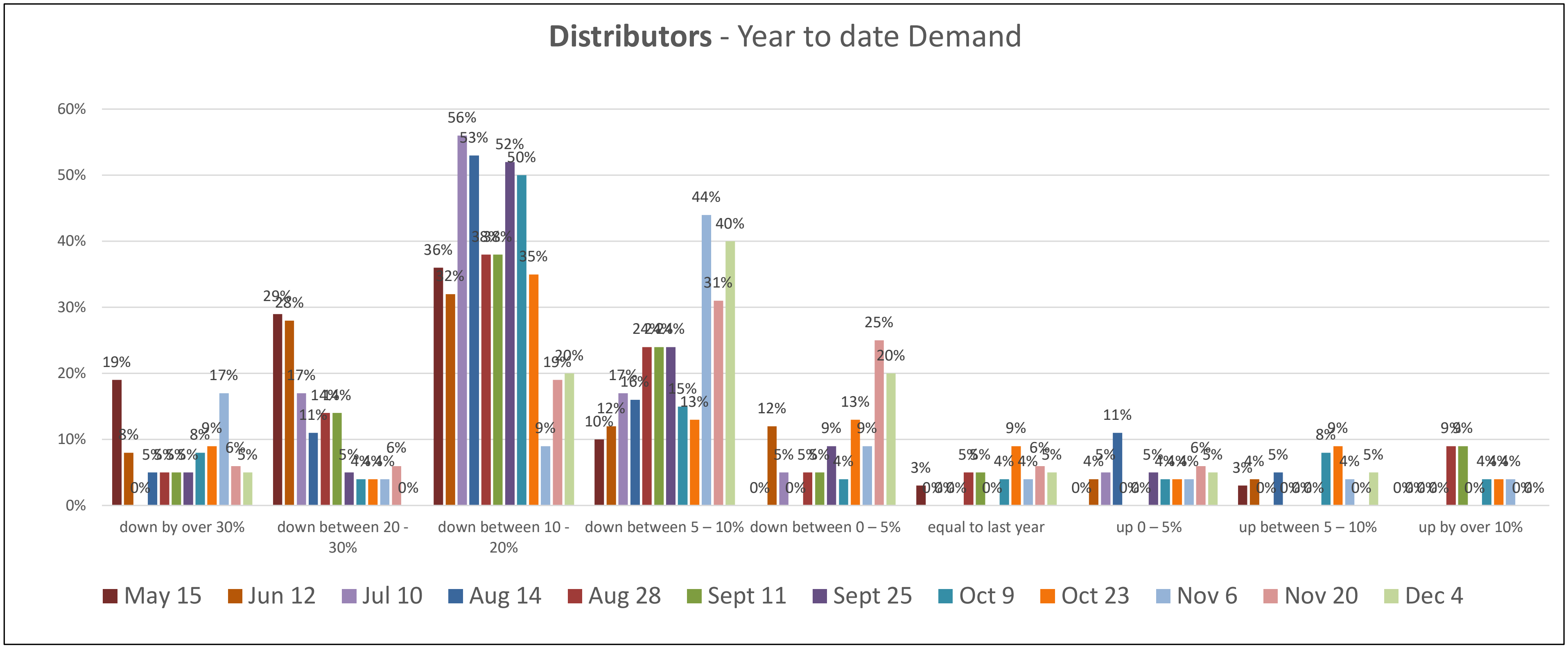
**Q4. Please indicate the status of DEMAND as it relates to your business on a YTD basis:**

| MANUFACTURERS | Apr 17 | May 15 | Jun 12 | Jul 10 | Aug 14 | Aug 28 | Sept 11 | Sept 25 | Oct 9 | Oct 23 | Nov 6 | Nov 20 | Dec 4 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| down by over 50% | 23% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| down by over 30% | 17% | 37% | 19% | 0% | 0% | 0% | 5% | 0% | 0% | 0% | 0% | 3% | 0% |
| down between 20 - 30% | 27% | 21% | 16% | 11% | 14% | 8% | 14% | 13% | 13% | 10% | 6% | 5% | 7% |
| down between 10 - 20% | 17% | 16% | 39% | 29% | 23% | 38% | 38% | 35% | 28% | 23% | 26% | 31% | 26% |
| ***ST down by over 10%*** | ***84%*** | ***74%*** | ***74%*** | ***40%*** | ***37%*** | ***46%*** | ***57%*** | ***48%*** | ***41%*** | ***33%*** | ***32%*** | ***39%*** | ***33%*** |
| down between 5 – 10% | 3% | 10% | 7% | 25% | 20% | 22% | 14% | 20% | 9% | 3% | 15% | 13% | 13% |
| down between 0 – 5% | 10% | 3% | 3% | 6% | 11% | 3% | 14% | 0% | 6% | 13% | 9% | 8% | 13% |
| equal to last year | 3% | 5% | 0% | 4% | 6% | 5% | 0% | 10% | 9% | 7% | 12% | 15% | 3% |
| up 0 – 5% | 0% | 5% | 10% | 13% | 17% | 16% | 5% | 7% | 16% | 23% | 15% | 13% | 13% |
| up between 5 – 10% | 0% | 0% | 3% | 4% | 9% | 5% | 5% | 15% | 19% | 13% | 15% | 8% | 19% |
| up by over 10% | 0% | 3% | 3% | 8% | 0% | 3% | 5% | 0% | 0% | 7% | 3% | 5% | 6% |



**Q4. Please indicate the status of DEMAND as it relates to your business on a YTD basis:**

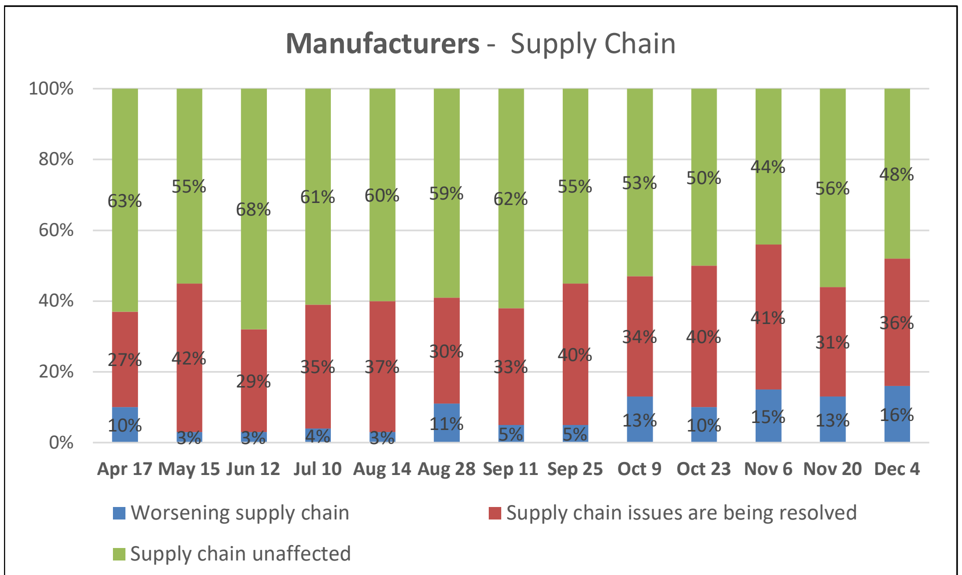
| DISTRIBUTORS | Apr 17 | May 15 | Jun 12 | Jul 10 | Aug 14 | Aug 28 | Sept 11 | Sept 25 | Oct 9 | Oct 23 | Nov 6 | Nov 20 | Dec 4 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| down by over 50% | 9% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| down by over 30% | 30% | 19% | 8% | 0% | 5% | 5% | 5% | 5% | 8% | 9% | 17% | 6% | 5% |
| down between 20 - 30% | 22% | 29% | 28% | 17% | 11% | 14% | 14% | 5% | 4% | 4% | 4% | 6% | 0% |
| down between 10 - 20% | 35% | 36% | 32% | 56% | 53% | 38% | 38% | 52% | 50% | 35% | 9% | 19% | 20% |
| ***ST down by over 10%*** | ***96%*** | ***84%*** | ***68%*** | ***73%*** | ***69%*** | ***57%*** | ***57%*** | ***62%*** | ***62%*** | ***48%*** | ***30%*** | ***31%*** | ***25%*** |
| down between 5 – 10% | 4% | 10% | 12% | 17% | 16% | 24% | 24% | 24% | 15% | 13% | 44% | 31% | 40% |
| down between 0 – 5% | 0% | 0% | 12% | 5% | 0% | 5% | 5% | 9% | 4% | 13% | 9% | 25% | 20% |
| equal to last year | 0% | 3% | 0% | 0% | 0% | 5% | 5% | 0% | 4% | 9% | 4% | 6% | 5% |
| up 0 – 5% | 0% | 0% | 4% | 5% | 11% | 0% | 0% | 5% | 4% | 4% | 4% | 6% | 5% |
| up between 5 – 10% | 0% | 3% | 4% | 0% | 5% | 0% | 0% | 0% | 8% | 9% | 4% | 0% | 5% |
| up by over 10% | 0% | 0% | 0% | 0% | 0% | 9% | 9% | 0% | 4% | 4% | 4% | 0% | 0% |

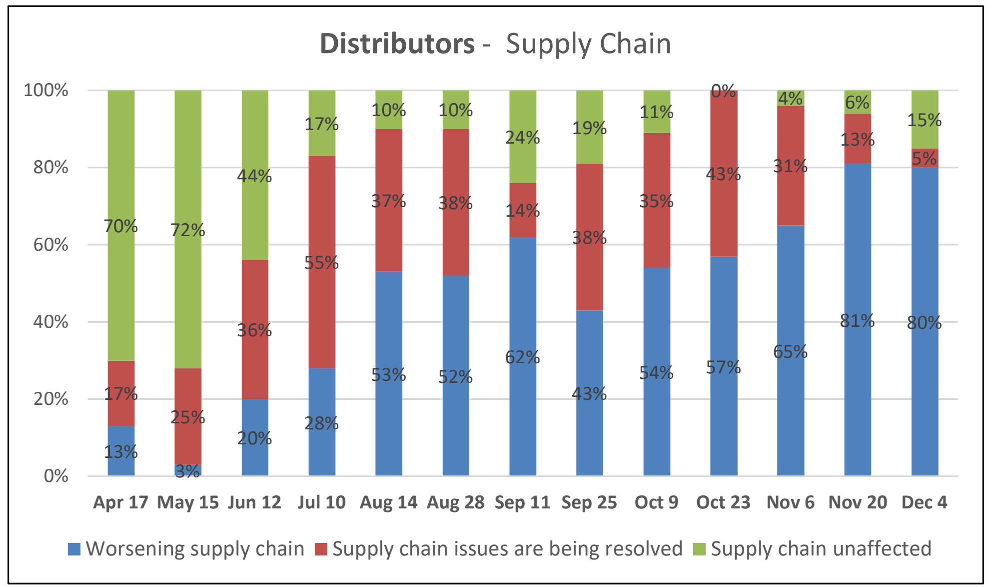


**Q5. Please check the box that describes the status of the supply chain for your products/services:**

| MANUFACTURERS | Apr 17 | May 15 | Jun 12 | Jul 10 | Aug 14 | Aug 28 | Sep 11 | Sep 25 | Oct 9 | Oct 23 | Nov 6 | Nov 20 | Dec 4 | Change from Prev |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Worsening supply chain | 10% | 3% | 3% | 4% | 3% | 11% | 5% | 5% | 13% | 10% | 15% | 13% | 16% | 3% |
| Supply chain issues are being resolved | 27% | 42% | 29% | 35% | 37% | 30% | 33% | 40% | 34% | 40% | 41% | 31% | 36% | 5% |
| Supply chain unaffected | 63% | 55% | 68% | 61% | 60% | 59% | 62% | 55% | 53% | 50% | 44% | 56% | 48% | -8% |

| DISTRIBUTORS | Apr 17 | May 15 | Jun 12 | Jul 10 | Aug 14 | Aug 28 | Sep 11 | Sep 25 | Oct 9 | Oct 23 | Nov 6 | Nov 20 | Dec 4 | Change from Prev |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Worsening supply chain | 13% | 3% | 20% | 28% | 53% | 52% | 62% | 43% | 54% | 57% | 65% | 81% | 80% | -1% |
| Supply chain issues are being resolved | 17% | 25% | 36% | 55% | 37% | 38% | 14% | 38% | 35% | 43% | 31% | 13% | 5% | -8% |
| Supply chain unaffected | 70% | 72% | 44% | 17% | 10% | 10% | 24% | 19% | 11% | 0% | 4% | 6% | 15% | 9% |

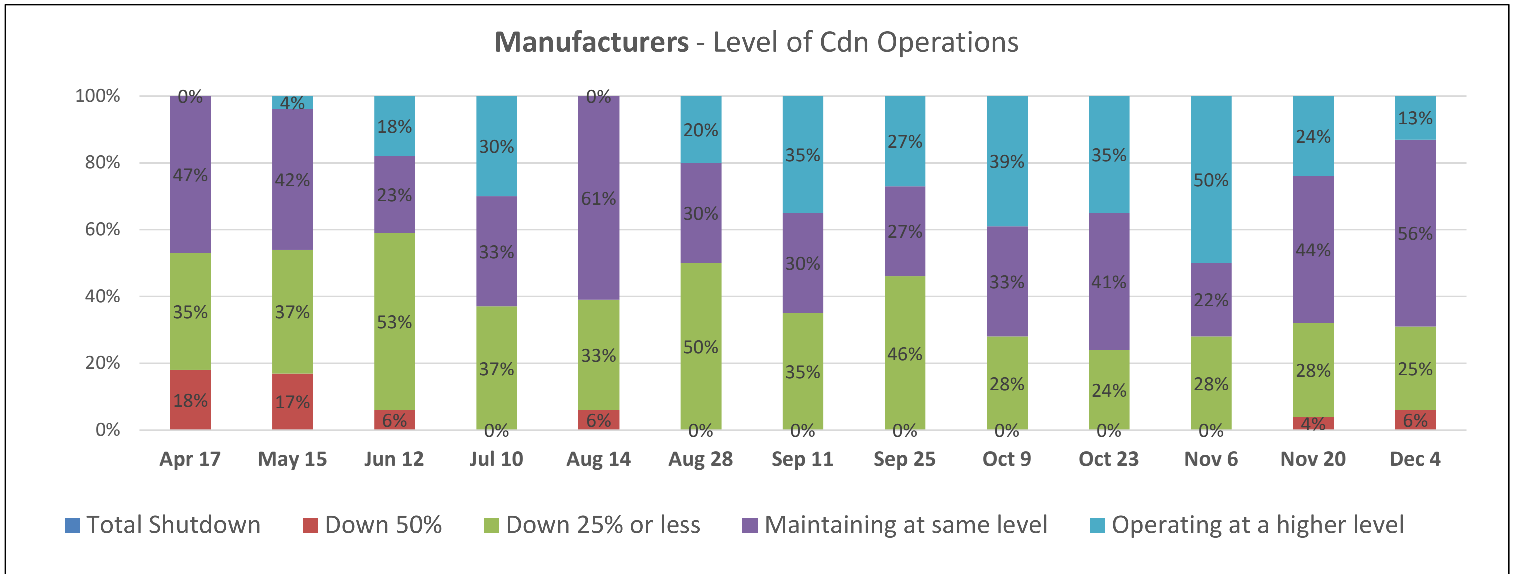


## Q6. If applicable, What level are you Canadian Operations at? (versus January & February average)

*Results based on those with manufacturing facilities only*

| | Apr 17 | May 15 | Jun 12 | Jul 10 | Aug 14 | Aug 28 | Sep 11 | Sep 25 | Oct 9 | Oct 23 | Nov 6 | Nov 20 | Dec 4 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total Shutdown | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Down 50% | 18% | 17% | 6% | 0% | 6% | 0% | 0% | 0% | 0% | 0% | 0% | 4% | 6% |
| Down 25% or less | 35% | 37% | 53% | 37% | 33% | 50% | 35% | 46% | 28% | 24% | 28% | 28% | 25% |
| Maintaining at same level | 47% | 42% | 23% | 33% | 61% | 30% | 30% | 27% | 33% | 41% | 22% | 44% | 56% |
| Operating at a higher level | 0% | 4% | 18% | 30% | 0% | 20% | 35% | 27% | 39% | 35% | 50% | 24% | 13% |




| Survey Responses | April 17 | May 15 | Jun 12 | Jul 10 | Aug 14 | Aug 28 | Sep 11 | Sep 25 | Oct 9 | Oct 23 | Nov 6 | Nov 20 | Dec 4 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Manufacturers | 30 | 38 | 31 | 48 | 35 | 37 | 37 | 40 | 32 | 30 | 33 | 39 | 31 |
| Distributors | 23 | 32 | 25 | 18 | 19 | 21 | 21 | 21 | 21 | 23 | 23 | 16 | 20 |

## COMMENT SECTION

## Dec 4

### Manufacturers

We are hoping that Canada doesn't fall behind the US and Europe on a Covid recovery with the expected delays on the vaccine.

Shipping out of china is getting difficult these days. Container shortages, as well as price increases are starting to play a factor in daily operations.

open the us border!

### Distributors

A big concern heading into 2021 is the supply chain. The success (or lack thereof) that manufacturers have in maintaining production will affect our business in 2021.

## Nov 20

### Manufacturers

Tough going for sure as business is slow to return and costs rise in dealing with multiple issues related to covid .

open the us/Canada border

### Distributors

n/a

## Nov 6

### Manufacturers

open the US border

### Distributors

Just concerned how much of an effect the second wave will really have

Be good if we could get a snapshot by geography, even if just once per month. I think there are now big variations depending on geography. **EFC to investigate**

## Oct 23

### Manufacturers

After a very busy July, August and September we have seen a noticeable slowdown in October right across Canada

Q5 response is a mixed situation - some suppliers are getting worse (US), and some are getting better (overseas)

need to open the us border

### Distributors

if the second wave escalates, the Q1 21 numbers will certainly be affected downward

Suggest an addition to question 5. Supply chain issues remain the same and it takes longer to to get products manufactured in countries that have been more severely affected by Covid. None of the bullets above really reflect this situation. Service isn't getting better or worse and we definitely are affected. (EFC will review)

## Oct 9

**Manufacturers**

Open US Border

**Distributors**

The 2nd wave's effects have yet to be seen

## Sept 25

**Manufacturers**

get us border open

**Distributors**

Supply chain is getting to be a very big challenge

Where is the supplier leadership, where have you gone? As a general statement, many suppliers who have been very visible in the past seem to have disappeared and are struggling to find ways to connect in Covid with channel and customers during Covid, especially as supply chain issues have gotten worse through the pandemic. Many suppliers are also increasingly sensitive / defensive (even insulted) about when we address the operational performance Issues we are facing; rather than being open, proactive and communicative about their supply issues. We're experiencing a significant step back in national or regional Supplier teams actively engaged / communicating with the channel partners. Few suppliers are proactively working with distributor branches/teams or customers in the trenches actively communicating to grow the business or solve problems. As a general statement, it does seem that suppliers that are working through agents are giving better (more timely, engaged, proactive) service to channel partners and customers. Well done agents!

Covid is affecting normal day to day business. Highlighting the importance of this through some questions, would help to maintain the focus on this.

## Sept 11

**Manufacturers**

Include demand by region (West, Central, East)

get the us border open and people travelling again

**Distributors**

August was weaker than expected so hoping Sept shows good improvement.

## Aug 28

**Manufacturers**

India is a major problem!

Action Plan in event of a fall resurgence

get the borders open!

Acceleration of major infrastructure projects like LRT and the electrification of transport

**Distributors**

Maybe how is a lack of direct contact with: a) customers b), effecting day to day business, sales calls etc.

## Aug 14

### Manufacturers

Concerns regarding wearing masks and a fall resurgence of COVID-19

This would be a question for distributors.......Are they allowing vendor/supplier salesperson visits?

open the us/Canada border!!

A resurgence in the fall may be likely and without a vaccine what measures are expected to be taken this time around

### Distributors

The end of CERB should help the economy restart faster.

## Jul 31st

### Manufacturers

July sales are down but that is due to Quebec construction this month.

pick up in USA oil industry weak

### Distributors

Supply chain is becoming an issue as various global facilities are experiencing problems being able to fulfill demand due either to work slowdowns from Covid or are still in a backlog situation and trying to catch up to demand due to plant closures/reduced staffing that occurred in late Q1 and early Q2

QC construction holiday has really hurt the July results

## Jul 17th

### Manufacturers

A resurgence in the fall is concerning

### Distributors

Worsening supplier issues, between stock and errors. Anything out of Mexico is taking a really long time. Worse is the errors, we are not sure if it is the lack of employees or if it is the increase in order (for less dollars) but the are on the rise. Then couriers are probably going crazy but missing packages are on the rise!

## Jul 10th

### Manufacturers

push on the large infrastructure project

Q3 will be an important measuremomentum back to (a slow) q1

Still have concerns of a potential resurgence in the fall flu season

would be nice that manufacture share the sales calls protocol documents they have established .

### Distributors

n/a