



Reopening Soon

# COVID-19 Impact on Irish Foodservice Industry

**28th May, 2020**

Coming into 2020, the Irish foodservice industry, both in the Republic of Ireland and in Northern Ireland, was in a relatively strong position. Bord Bia / Technomic research indicated that the foodservice industry totaled €8.6 billion on the island of Ireland at the end of 2019. Growth had been strong, with ROI showing 4.9% value growth in 2019 and NI growing at 3.5%. Forecasts for the future were expecting similar (albeit slightly lower) growth rates for the next several years, in conjunction with expectations of continued economic growth.

When COVID-19 first started making headlines in late 2019, very few people would have expected the global impact that would occur as a result of the spread of the virus.

Within Ireland, the foodservice industry has been challenged as never before, and the goal of this whitepaper is to begin to quantify the scale of the impact on the industry and what the landscape may look like as this situation progresses.

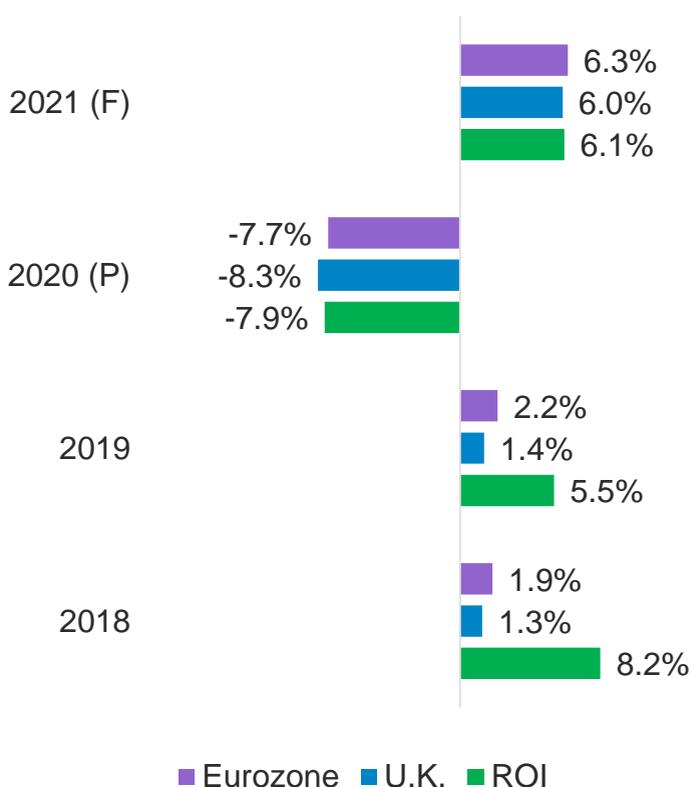
While acknowledging the clear and ongoing damage to the Irish foodservice market, it's also important to begin thinking about how the industry restarts and what permanent changes may ultimately be seen. What does the foodservice industry look like when this is over? How long will it take to recover? What steps are being taken now by the industry and how likely are current initiatives to remain in place after the immediate danger has passed?

The goal of this analysis is to evaluate those potential changes and to help Irish producers, operators, distributors and others serving the industry to start developing strategies around the longer-term ramifications of the COVID-19 pandemic. Bord Bia and Technomic will continue to monitor developments and will present a more in-depth analysis toward the end of the year as the situation evolves.

## Economic Contraction Expected in 2020

The foodservice industry has largely expanded over the past 10 years as the Irish economy grew. Factors such as employment rates and income growth all help support higher away-from-home spending; while tourism and foreign investment dollars (especially in the tech sector) also contribute to strong growth across multiple foodservice segments. As noted below, the economy in the Republic of Ireland had been growing faster than the wider Eurozone over the past several years.

### Real GDP Growth, by Year



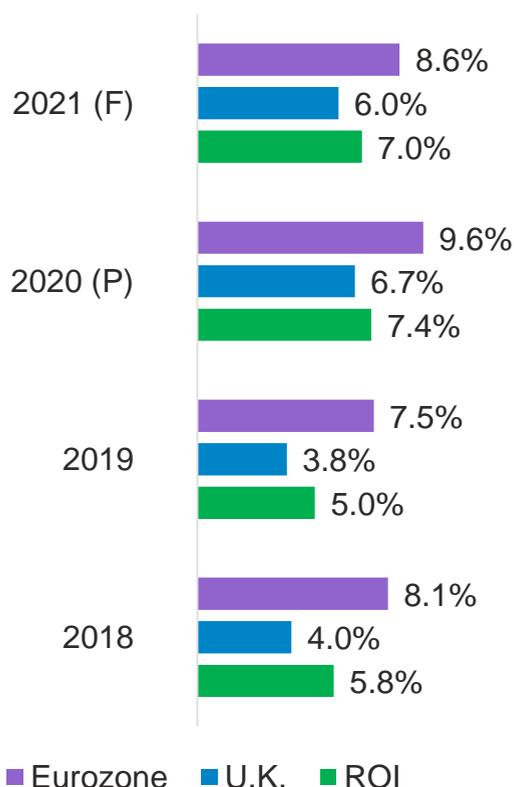
Source: European Commission

With the rapid collapse of the Irish economy (now projected by European Commission to be nearly an 8% decline), the longer-term outlook is unclear. Some rebound is expected in 2021 based on current projections; however, much uncertainty still exists.

## Spike in Unemployment

Given this sudden decline in economic output, it's not surprising that unemployment has increased dramatically over the past eight to ten weeks. While the government has stepped in with support to help businesses retain employees, the CSO reported that monthly unemployment was 5.4% in April 2020. They also indicated that the adjusted measure of unemployment could be as high as 28% if all claimants of the Pandemic Unemployment Payment were classified as unemployed. The European Commission forecasts that Ireland will have an annual unemployment rate of 7.4% - higher than previously, but still below Eurozone unemployment.

### Unemployment Rate, by Year



Source: European Commission

It must be noted that these predictions are more favourable than those of the Irish Department of Finance, which has projected an unemployment rate to almost 10% by the end 2020, with an average unemployment rate of approx. 14% across the year as a whole.

## Declining Tourism Figures

The economic and employment outlook as described above is impacted by the current closure of the Irish economy, but even as businesses are allowed to reopen, the Irish economy, and the foodservice industry within it, will remain challenged. Much more so than many other countries (and more so than other industries in Ireland), foodservice in Ireland is largely tied to a robust tourism industry.

According to the Irish Tourism Industry Confederation (ITIC), the Irish tourism industry earned an estimated €9.3 billion in 2019, and of this total approximately €2 billion was spent on food & drink. Given travel restrictions in place both in ROI and many other countries, it's clear that tourism revenue will be a fraction of what had been spent in the past several years.

## Government Plan to Reopen

As the economy struggles to regain its footing, it's helpful to look at the Irish government's Roadmap for reopening society and business (as at May 28):

### Phase 1—Started May 18

Allows some return to work (mostly outdoor work); continued social distancing and remote working for those that are able. Some outdoor-oriented retail allowed to reopen.

### Phase 2—Scheduled June 8

Small retail shops and marts where social distancing can be maintained are allowed to reopen. Restrictions extended from 5 kilometers to 20 kilometers from home.

### Phase 3—Scheduled June 29

Open cafes and restaurants where they can comply with social distancing measures and strict cleaning in operation.

### Phase 4—Scheduled July 20

Open hotels and other tourism and cultural attractions where social distancing can be maintained. Travel beyond 20 kilometers permitted.

### Phase 5—Scheduled August 10

Shopping centres, theaters, cinemas and other indoor recreational venues to open. Pubs, bars, nightclubs and casinos also allowed to open where social distancing and strict cleaning can be complied with.

## What Should the Industry Expect in 2020

Over the past two months, the foodservice industry in both the Republic of Ireland and Northern Ireland has essentially been shut down. High-street restaurants, pubs and hotels have generated virtually no revenue since March 15 when the government issued its stay-at-home order. Some independent takeaways and QSRs stayed open on a very limited basis, but even major global chains like McDonald's were initially shuttered. Restaurants already engaged with delivery were able to maintain some business, but in a limited capacity.

Outside of restaurants and pubs, forecourt convenience remained open, but shifted from a deli offer to packaged foods. In other parts of foodservice, business cafeterias went dark as employees worked from home, university foodservice was shuttered as students were sent home, and all other commercial venues (e.g., movie theaters, recreational and tourism venues) were closed as well. As shown in the analysis later in this paper, the second quarter of 2020 will see significant declines across nearly every segment.

While April and May have been challenging, there has been some activity in the restaurant and cafe sector as operators reopen to takeaway and home delivery capacity. Phase 3 of the government's reopening plan will allow for dine-in business in restaurants from the end of June. Pubs are further restricted until early August. Even as the industry begins to reopen, additional challenges remain with social distancing capacity constraints that are currently in the guidelines, and these rules may prevent many outlets from operating at a level needed to cover fixed costs, much less allow them to generate a profitable existence.

## Three Possible Scenarios for 2020

Given that the ultimate outcome for the performance of the Irish foodservice industry will be dependent on the second half of the year, it is helpful to understand the government phased plan for reopening and to use those dates as general guidelines. However, there are many variables in play that are still unclear—consumer behaviour, the ultimate path of the virus and the success of businesses once they reopen. Taking these variables into account, this whitepaper provides a number of possible scenarios for what the industry may look like at the end of 2020.

The industry forecasts as previously released in November 2019 have been revised and consider all current industry reporting and research; recent announcements from restaurants, distributors and other entities; and government and economic forecasts for the remainder of 2020 (as noted earlier).

### Scenario 1: Best Case Outlook

In this scenario, we assume restaurants reopen at the end of June as announced, but also assume a recession in the second half of 2020 as is widely forecasted. In the Best Case Outlook, there is a short-term foodservice resurgence due to pent-up demand and a return to more regular economic activity relatively quickly (but based on government guidelines). It also assumes some localised reactivation of stay-at-home orders as some limited virus resurgence returns. This also assumes a relatively strong domestic tourism activity in late summer 2020, as well as some return to office and educational activities in September 2020.

### Scenario 2: Middle Case Outlook

This scenario is a midpoint between our optimistic and pessimistic estimates. It blends the assumptions of our most optimistic and most pessimistic estimates.

### Scenario 3: Worst Case Outlook

Similar to the Best Case Outlook, in this outlook, we assume restaurants reopen and that recession occurs in 2020. The Worst Case Outlook, however, assumes recessionary impacts will cause continued weakness in consumer spending and less overall spending and tourism activity. More widespread virus resurgence will require regional stay-at-home mandates throughout the year. Universities will not reopen in this scenario and most white-collar work will remain at home (rather than reopening offices).

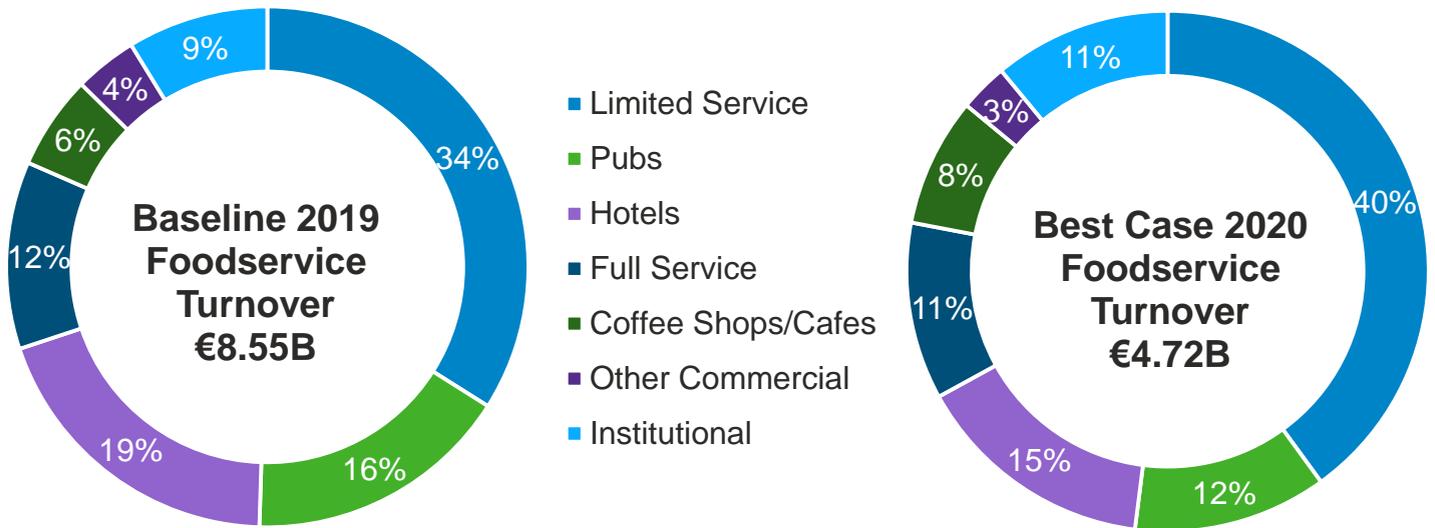
Taking into consideration all of these factors, the outlook for the total foodservice industry is shown below. Note that the forecasted Best Case Outlook results in a €3.8 billion smaller industry than 2019. This could go as high as €5.0 billion in lost revenue under the Worst Case Scenario.

#### 2020 Forecast Outlook (Nominal Change in Consumer Spending)

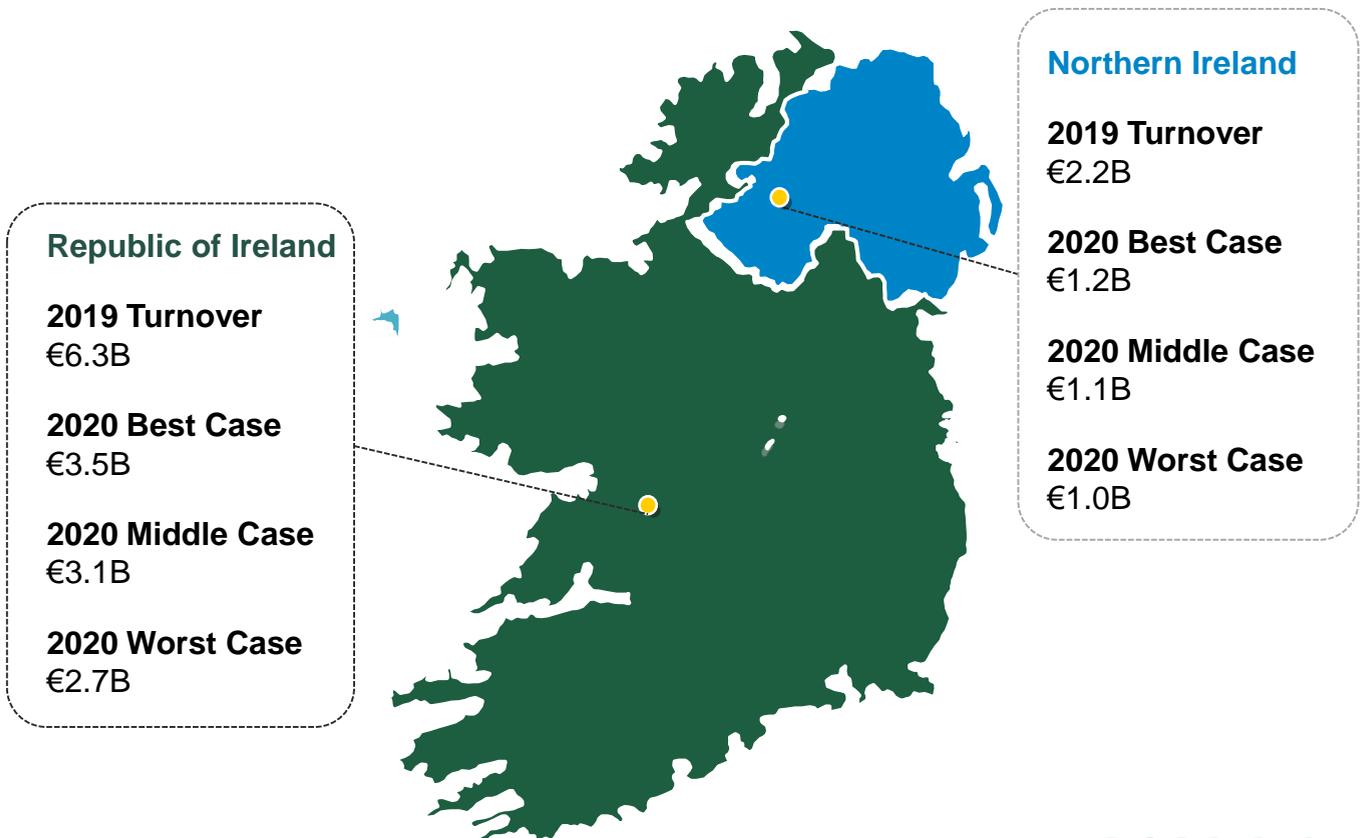
	Best Case	Middle Case	Worst Case
QSR	-37%	-43%	-49%
Full Service	-50%	-57%	-65%
Pubs	-60%	-65%	-69%
Coffee Shops	-25%	-30%	-34%
Hotel (F&B)	-53%	-60%	-67%
Other Commercial	-60%	-64%	-68%
Business	-43%	-38%	-64%
Health	-10%	-11%	-12%
Education	-37%	-53%	-64%
Other Institutional	-4%	-7%	-11%
<b>Total Industry</b>	<b>-45%</b>	<b>-51%</b>	<b>-57%</b>
Scenario Industry Contraction ROI	-€2.8B	-€3.2B	-€3.6B
Scenario Industry Contraction NI	-€1.0B	-€1.1B	-€1.3B
<b>Total Loss in 2020 Island of Ireland</b>	<b>-€3.8B</b>	<b>-€4.3B</b>	<b>-€5.0B</b>

Note: Initial estimates subject to revision

# Baseline 2019 IOI Consumer Spending vs. Best Case IOI 2020 Consumer Spending



## Possible Outcomes for Foodservice in 2020



Note: Initial estimates subject to revision

## Key Trends To Watch

Coming out of this pandemic, there are certain trends that will accelerate in the short term and may have a longer-lasting impact on the industry over the course of the next few years. With the broader outlook still unclear, including the speed with which the industry returns and changing consumer sentiments toward restaurant and foodservice usage, these issues have been identified as potential disruptions that should be included in any company's strategic analysis of potential responses to the pandemic.

These macro trends will generally be true across most foodservice sectors and have impact not only on operators, but will reverberate through the supply chain. On this basis, it is important for food and drink manufacturers to understand potential implications for their own product offerings.

- 1. Decreased emphasis on customisation/ made-to-order**—This will be driven by labour challenges and a move toward value seeking among many consumers. It seems likely that operators will focus more on grab-and-go and pre-prepared items.
- 2. Continued investment in off-premise**—This crisis has shown that having any off-premise strategy to diversify risk is a must. Expect more

types of operators to invest in off-premise, whether it's takeout or delivery. Digital strategies will become more important to operators of all types. This may also mean more grab-and-go and packaged items in foodservice segments that formerly would have avoided them.

- 3. Acceleration of channel blurring**—This crisis has shown that restaurants can function as grocers and that full-service restaurants can offer more convenience options. In Ireland and globally, restaurant operators are selling ingredients or kits as part of their offering—this may continue as an additional revenue source. The food industry will likely further blur the lines between retail and foodservice, and within foodservice, more service options will be found across segments, including takeaway, delivery and even more drive-thru.
- 4. Reduction (or removal) of self-service**—While the ultimate consumer mindset won't be clear until this pandemic passes, it seems likely that many operators will reduce or remove self-service stations. This includes buffet-style service, self-service beverage, bakery cases and even self-service ordering kiosks. While self-service may not disappear completely, changing methods and dispensing styles, as well as a renewed hyper-sensitivity to sanitisation to ensure safety, will be necessary.



## Key Trends To Watch (cont).

5. **Ghost/delivery kitchen acceleration**—As the industry resets, more operators may decide to eliminate the dining room altogether to capitalise on longer-term, off-premise trends.
6. **Renewed interest in single-use packaging**—The trend over the past several years has been toward more sustainable options and banning/reducing certain types of packaging. We expect to see more focus on packaging (and excess packaging for off-premise orders). An emphasis on sustainable packaging may be reduced in the short term to midterm, as safety concerns becomes a primary driver for product selection.
7. **Streamlined/smaller menus**—As operators streamlined menus during the pandemic, many will continue to focus on those items that drive maximum revenue post-crisis.
8. **Labour**—If, as seems likely based on reopening guidelines, restaurants and hospitality will be one of the later industries to open up, the labour challenges (e.g., recruitment and training) that were experienced before this crisis could potentially worsen as former employees find other opportunities.
9. **Drinks business challenges**—Social distancing will continue to be challenging in pubs. Pubs that rely on wet (drink) sales will be under more pressure than those that have a strong food offering.
10. **Consolidation**—While this may manifest most clearly in the restaurant space, we are also likely to see acquisition of some players throughout the supply chain. Those that are vulnerable will face significant challenges from larger players and in some cases, potential closure.



## Segment-Specific Expectations

The segments that make up foodservice are varied.

Each will see a reopening and subsequent recovery on different timelines. While many variables remain, Our current thinking suggests that the following issues should be considered within each segment:

Segment	Potential Long-Term Ramifications
Limited-Service Restaurants	<ul style="list-style-type: none"> <li>- Expect an acceleration of off-premise options, including investment in drive-thrus in locations that allow for this</li> <li>- More emphasis on takeaway, including acceleration of app-based/digital ordering and other technology that enables off-premise</li> <li>- Possible rethinking of certain self-service options</li> </ul>
Full-Service Restaurants	<ul style="list-style-type: none"> <li>- 90% or more of full-service units before the pandemic were small chain/independent. Industry observers believe up to 50% of full-service restaurants could be vulnerable to closures</li> <li>- Expect further investments in off-premise to diversify risk</li> <li>- Local restaurants may benefit at the expense of city center locations, especially as employment shifts to greater work-from-home options</li> </ul>
Coffee shops	<ul style="list-style-type: none"> <li>- Many center city locations may be vulnerable as work-from-home initiatives gain prominence</li> <li>- The takeaway nature of the business may allow lesser declines than in other areas, but expect a renewed emphasis on digital strategies to exploit and grow the off-premise business, in line with restaurant sector</li> </ul>
Pubs	<ul style="list-style-type: none"> <li>- At present, this part of the industry is looking at an almost five-month closure</li> <li>- Food-led pubs will fare better, many of whom will look to re-license as restaurants. Wet-led pubs will continue to be impacted by social distancing for much of 2020. Those without kitchens on site will find it hard to pivot to food</li> <li>- Takeaway and delivery may become more of an emphasis for food-led pubs</li> </ul>
Hotel F&B	<ul style="list-style-type: none"> <li>- Tourism and travel forecasts indicate continued weakness through 2020</li> <li>- With banquets and catering representing a large share of revenue at many properties, hotel F&amp;B will have significant challenges bouncing back until the return of larger events and conferences</li> <li>- Lower-cost options, like buffet-style dining, will likely be curtailed. Other areas where consumer concern over contamination exists (e.g., minibars, in-room coffee, etc.) could also be vulnerable</li> <li>- Likelihood of prepackaged boxed food delivered direct to rooms to replace more traditional food options</li> </ul>
Forecourt/Convenience	<ul style="list-style-type: none"> <li>- We expect some refocus by convenience operators on retail fundamentals, including a renewed focus on the grocery and prepackaged food business</li> <li>- Within foodservice, self-service beverage and other self-service stations are vulnerable and could potentially be removed or reduced in number and scope</li> <li>- There are likely to be more operators that get involved with delivery as a growth and diversification strategy</li> </ul>
Other Commercial	<ul style="list-style-type: none"> <li>- Much of this sector relates to recreation or tourism (i.e., theaters, cultural institutions, sporting events, etc.) and these will be some of the last venues to open. The challenge to operators in the Leisure &amp; Events sector will be to maintain a viable business model as long as social distancing restrictions are in place.</li> <li>- More prepackaged items and less overall foodservice is likely to be found at many of these venues. Consumer demand for value will be a primary driver.</li> </ul>
Business & Industry	<ul style="list-style-type: none"> <li>- With an acceleration in working from home (and an uneven return of workers to their office locations), business feeding will be slow to return to pre-pandemic levels. B&amp;I is likely to see more prepackaged foods throughout the foodservice areas, including boxed food options direct to desks</li> <li>- This sector may see more product sourced from central production units</li> <li>- Social distancing will impact the ability for many business cafeterias to operate at capacity</li> </ul>
College & University	<ul style="list-style-type: none"> <li>- Assuming most universities reopen in the autumn (an assumption that is not guaranteed), there should be less disruption in this channel compared to others, although there will likely be a shift in cafeteria feeding operations (i.e., shortened hours, social distancing, reduction of self-service stations, etc.)</li> </ul>
Health	<ul style="list-style-type: none"> <li>- Revenue from visitor feeding and hospital cafeterias will gradually return as the restrictions are reduced at hospitals. However, as in other cafeteria segments, expect changes in service and labour</li> <li>- Other nursing home segments should be less impacted, given that most foodservice is aimed toward residents</li> </ul>
Other Non-commercial	<ul style="list-style-type: none"> <li>- This generally includes other institutional sectors like prisons and Defense. Cost control and further focus on value will be critical, but overall declines should be less severe given the nature of customers served in these segments</li> </ul>

# Building Toward a Reopened Industry

It's become very clear that the Irish foodservice industry will not bounce back to pre-pandemic levels immediately. We view the process of getting the

industry back on track as one involving four phases, which we've described below as the "Four S" process of recovery. We believe this framework for analysis should be considered as a starting point for any company building a recovery plan for their business (whether operator, distributor or producer).

	<b>Phase 1. Survival (Contain and Minimise Damage)</b>	<b>Phase 2. Start (Tiered Reopening)</b>	<b>Phase 3. Strengthen (Industry Recovery)</b>	<b>Phase 4. Surge (Investment and Growth)</b>
<b>Description of Phase</b>	Containment and minimisation of damage  Continued enforcement of stay-at-home restrictions as COVID-19 cases plateau and begin to decline	Rolling opening of the economy  Restaurant and hospitality likely to be toward the end of various industries that are cleared to open	Lifting of all social distancing measures and a return to "normal" operations	Evaluation of damage done to industry and investment for growth
<b>What the Industry Should Expect</b>	Non-essential businesses remain closed. Likewise, education and travel/leisure segments closed as well  Permanent closures of operations that are marginally successful or that financially aren't able to maintain business  Low consumer confidence	Slow return to normal operations  Some release of consumer pent-up demand  Social distancing within restaurants and other establishments will limit capacity  Supply chain working with customers to identify products needed for opening  Price orientation for most customers	Consumer confidence returns to visiting restaurants and foodservice  Stabilisation of declines and some return to growth (in certain segments)  Stabilisation of supply chain  Customers begin return to pre-pandemic behavior, but price remains a motivating factor	Move from mindset of "firefighting" to one of "rebuilding"  Full return to normal and acceleration of growth  Pre-pandemic levels of sales may not be reached for several years, however
<b>Actions for Operators</b>	Ensure safety of all workers and customers  Continued focus on takeaway and delivery options  Menu streamlining and/or rationalisation  Evaluate other incremental revenue opportunities to create a bridge toward the next phase	Reassurances to consumers on the safety of the restaurant and foodservice industry  Re-staffing, including rehiring and retraining workers previously furloughed  Ensure product availability in the supply chain required for opening  Menu revitalisation	Promotion and outreach to customers to encourage pre-pandemic behaviour  Menu optimisation  Evaluate how temporary initiatives and actions can/should be incorporated into permanent business practices	Obtain a more thorough understanding of current customer attitudes and behaviours—changes that have developed due to the pandemic and are likely to become permanent  Menu reinvention
<b>Actions for Suppliers and Producers</b>	Provide immediate support to operators and distributors  Present quick-fix new ideas  Focus on helping create and build off-premise opportunities for operators	Assess, support products in hyper-safety environment  Focus on products or solutions that can deliver labour savings. Rebalance volume requirements based on demand acceleration  Understand the supply chain dynamics of reopening and plan logistics accordingly	Re-evaluate segment prioritisation, customer strategies  Reintroduce product rationalisation efforts  Present new ideas using current products  Focus on yield, versatility as price remains important	Reorganise and restructure operations, supply chain to match new realities  Diversification of business to create resilience in the face of new pandemic/outbreak  Refocus on sustainability  Position for return to true menu innovation—new product introductions

## Outlook and Recommendations

Foodservice in Ireland will certainly see contractions in 2020 and may fall to as low as 45% of pre-pandemic spend levels by the end of 2020, erasing years of growth and share gain from the retail sector. However, we remain bullish on the longer-term viability and resurgence of the industry, as the economy recovers and consumers grow more confident living in the age of COVID-19.

Given the challenges in predicting exactly how and when the industry re-opens, we recommend the following to best position companies so that they can ensure they are “open for business”:

### Food/Beverage Suppliers

- Innovate around the likely conditions of the “new normal” (e.g. need for labour saving solutions, touchless solutions, pre-packaged/single serve items, menu re-engineering)
- Understand the likelihood for increased focus by customers in off-premise solutions and how your business can support this
- Assume the need for more business flexibility, particularly in areas such as payments, minimum orders, order lead times etc.
- Develop business contingencies based on how both chain and independent restaurant customers could evolve
- Emphasise the long-term viability of foodservice internally to maintain a focus on the segment by senior leadership

### Distributors

- Develop regional and localised strategies to determine the vulnerability of the business and the likely timeline for reopening
- Evaluate other parts of the foodservice and restaurant business to further diversify your customer base
- Work with operators on payment flexibility, minimum orders, etc. Operators that survive this pandemic will look to work with distributors that demonstrated a partnership approach

### Foodservice Operators

- Focus on training staff—Having cross-trained staff that can handle multiple duties will be critical
- Assess and evaluate the menu to focus on items that are most profitable and can travel well
- Understand your critical areas that are vulnerable to consumer perceptions of hygiene and work to build contingencies
- Maintain and build relationships with your route-to-market partners; they will be critical to “opening” the foodservice industry
- Prioritise safety and sanitisation



## Bord Bia Industry Supports

- Dedicated [www.bordbia.ie/covid](http://www.bordbia.ie/covid) hub containing relevant and useful insights, supports and services available.
- Sign up to weekly Irish Foodservice Newsletters at: [www.bordbia.ie/industry/news/foodservice-newsletter/](http://www.bordbia.ie/industry/news/foodservice-newsletter/)
- Contact Maureen Gahan, Foodservice Specialist [maureen.gahan@bordbia.ie](mailto:maureen.gahan@bordbia.ie)

## Appendix: In-Depth Scenario Analysis by Segment

### Best Case

	<b>Best Case Forecast</b>	<b>1Q2020</b>	<b>2Q2020</b>	<b>3Q2020</b>	<b>4Q2020</b>
Limited Service	-37%	-8%	-75%	-40%	-23%
QSR	-35%	-8%	-76%	-34%	-18%
Fast Casual	-47%	-8%	-79%	-60%	-41%
Food to Go	-44%	-6%	-74%	-58%	-37%
Full Service	-50%	-13%	-88%	-64%	-36%
Pubs/Drinking Establishments	-60%	-15%	-97%	-76%	-49%
Coffee Shops	-25%	-8%	-54%	-21%	-15%
Hotels and Accomodations	-53%	-10%	-88%	-72%	-40%
Other Commercial	-60%	-10%	-88%	-74%	-68%
<b>Total Commercial</b>	<b>-46%</b>	<b>-10%</b>	<b>-83%</b>	<b>-56%</b>	<b>-34%</b>
Non-commercial	-30%	-6%	-58%	-37%	-23%
Business & Industry	-43%	-7%	-76%	-49%	-41%
Healthcare	-10%	-1%	-18%	-14%	-10%
Education	-37%	-13%	-95%	-46%	-11%
Other Institutional	-4%	-1%	-6%	-5%	-4%
<b>Total All</b>	<b>-45.0%</b>	<b>-10%</b>	<b>-81%</b>	<b>-55%</b>	<b>-33%</b>

# Appendix: In-Depth Scenario Analysis by Segment

## Middle Case

	<b>Middle Ground Forecast</b>	<b>1Q2020</b>	<b>2Q2020</b>	<b>3Q2020</b>	<b>4Q2020</b>
Limited Service	-43%	-8%	-78%	-51%	-32%
QSR	-41%	-8%	-79%	-47%	-27%
Fast Casual	-51%	-8%	-80%	-64%	-50%
Food to Go	-48%	-6%	-74%	-62%	-47%
Full Service	-57%	-13%	-90%	-73%	-54%
Pubs/Drinking Establishments	-65%	-15%	-97%	-82%	-63%
Coffee Shops	-30%	-8%	-60%	-29%	-21%
Hotels and Accommodations	-60%	-10%	-90%	-80%	-57%
Other Commercial	-64%	-10%	-88%	-81%	-76%
<b>Total Commercial</b>	<b>-52%</b>	<b>-10%</b>	<b>-85%</b>	<b>-65%</b>	<b>-47%</b>
Non-commercial	-38%	-6%	-61%	-51%	-40%
Business & Industry	-53%	-7%	-81%	-67%	-59%
Healthcare	-11%	-1%	-18%	-16%	-13%
Education	-53%	-13%	-95%	-70%	-51%
Other Institutional	-7%	-1%	-8%	-11%	-10%
<b>Total All</b>	<b>-51.1%</b>	<b>-10%</b>	<b>-83%</b>	<b>-64%</b>	<b>-46%</b>

## Appendix: In-Depth Scenario Analysis by Segment

### Worst Case

	<b>Worst Case Forecast</b>	<b>1Q2020</b>	<b>2Q2020</b>	<b>3Q2020</b>	<b>4Q2020</b>
Limited Service	-49%	-8%	-81%	-62%	-42%
QSR	-48%	-8%	-82%	-60%	-37%
Fast Casual	-55%	-8%	-81%	-68%	-60%
Food to Go	-51%	-6%	-74%	-67%	-58%
Full Service	-65%	-13%	-91%	-83%	-72%
Pubs/Drinking Establishments	-69%	-15%	-97%	-87%	-76%
Coffee Shops	-34%	-8%	-67%	-37%	-26%
Hotels and Accomodations	-67%	-10%	-93%	-88%	-73%
Other Commercial	-68%	-10%	-89%	-88%	-84%
<b>Total Commercial</b>	<b>-58%</b>	<b>-10%</b>	<b>-87%</b>	<b>-74%</b>	<b>-59%</b>
Non-commercial	-46%	-6%	-63%	-66%	-57%
Business & Industry	-64%	-7%	-86%	-84%	-77%
Healthcare	-12%	-1%	-18%	-18%	-16%
Education	-69%	-13%	-95%	-95%	-90%
Other Institutional	-11%	-1%	-10%	-18%	-16%
<b>Total All</b>	<b>-57.2%</b>	<b>-10%</b>	<b>-85%</b>	<b>-73%</b>	<b>-59%</b>

## Forecasting Methodology

- This paper was drafted during May 2020 and assumptions are built on a 2020 month-by-month evaluation of the impact of COVID-19 against the baseline 2019 monthly revenue numbers. They are also built against forecasted 2020 revenue figures as developed jointly by Bord Bia and Technomic.
- Scenarios evaluate the difference between the 2019 baseline vs. our expectation for lost revenue in each segment by month.
- The modeling accounts for the varying levels of sales from month to month based on broader industry tracking and estimates developed jointly by Bord Bia and Technomic.
- As a result, each scenario includes and incorporates the historic impact of seasonality and other historical peaks and troughs of sales for each segment.
- Various historical and forecast inputs are employed in the Irish foodservice model, and are drawn from various sources including primary interviews conducted over the past 45 days, our broader evaluation of restaurant and foodservice data in Ireland, the United Kingdom and other global foodservice markets, Technomic's 50+ years of industry modeling and forecasting, and other inputs from secondary sources such as consumer and industry research/publications and other publicly available data.
- Assumptions for each scenario are national in scope, but we assume that not every area of the Republic and Northern Ireland will have the exact same experience or results.
- Using all of the above, Bord Bia and Technomic have evaluated the outputs of the model for reasonability and, if necessary, have revised the modeling and weighting of different inputs based on unique macro situations.
- As the situation progresses and more "actual" information and results become clear, models will be updated to reflect sales data in each segment. Further revisions and updated forecasts will be provided in Q4 2020.

**28th May, 2020**

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