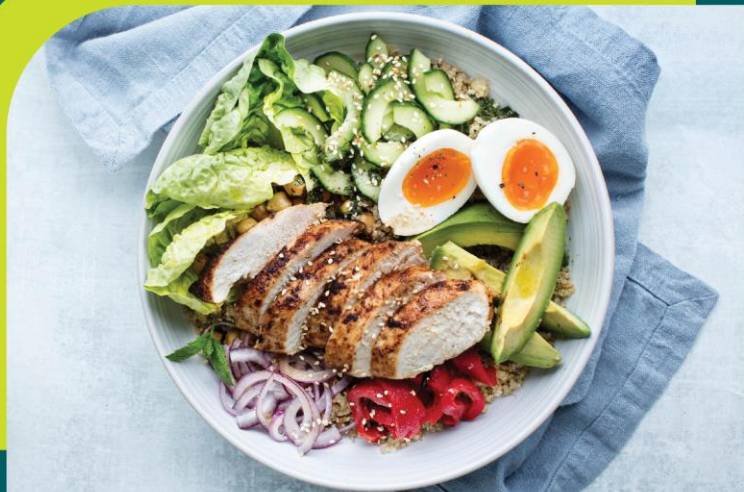


Irish Foodservice Market Insights Report 2023



BORD BIA
IRISH FOOD BOARD

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Section One

Introduction

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2023

A Year of Resilience And Recovery



The foodservice industry in Ireland has proven to be hugely resilient in the face of significant challenges over the past four years. Losing nearly half its value during 2020, Ireland's industry began its recovery slowly, before seeing significant growth in 2022. Expecting some consumer pullback, the industry instead continued to see the unleashing of consumer demand in 2023, and every sector saw ongoing growth. The industry has now returned to 2019 value levels, driven by the tenacity exhibited by the industry.

Growth trajectories have slowed following the huge increases seen in 2022. Despite this slow down in pace of growth, the industry throughout Ireland was still up nearly 13% in value to a new record high of €9.3 billion across both the Republic of Ireland and Northern Ireland.

The exuberance and growth of 2023 is not expected to continue into the near future. The industry faces real challenges as it looks ahead to 2024, most of which have been ongoing. These include significant labour challenges, an elevated cost/inflationary environment (both for food as well as energy and other input prices), the re-instatement of 13.5% VAT on hospitality, other pending regulatory issues and a host of other global macroeconomic factors, including the ongoing conflict in the Ukraine and a return to violence in the Middle East –

all of which provide for a backdrop of uncertainties.

Before, during and since the global pandemic, Bord Bia has been at the forefront of providing frequent, relevant insights to the foodservice industry to help suppliers, distributors and operators make fact-based decisions and navigate uncertain times. By providing data-led research and thought leadership, Bord Bia has cemented its position as a trusted advisor to the food industry. For this end-of-year 2023 research, Bord Bia has again partnered with industry researcher Technomic to develop insights and forecasts.

Building on its industry forecasts issued in late 2022, Bord Bia and Technomic have revisited the situation across all foodservice sectors and have updated and revised the performance for the industry in 2023, as well as expectations for 2024.

Note that while these figures are shown as full-year 2023 results, they presume to forecast the last two months of the year, and there remains some uncertainty, particularly with recent conflict in the Middle East and continued inflation.

This report also explores and updates growth rate dynamics and forecasts for 2024.

Variables Impacting Growth Expectations and Forecasts

Forecasting in today's volatile environment can be challenging, given the energy situation, ongoing inflation, consumer return to work, geopolitical conflicts, and a host of other issues that impact how the consumer engages with the foodservice industry.

There are a number of assumptions that are inherent in these forecasts, both for the remainder of 2023 and into 2024. Therefore, the figures shown throughout this report should be considered in light of the uncertainties that exist.

There are also somewhat different assumptions for ROI and Northern Ireland, although the general direction is similar for both jurisdictions. The biggest difference noted between the two markets was the lack of a devolved government in Northern Ireland and the currency conversions from Sterling to Euro.

The assumptions used to generate these scenarios are shown in the summary table opposite. Assumptions relate to economic performance, tourism, the return to work, and other economic activities.

2023-24 Consideration Factor		
Consideration Factor	Expectations built into model	Variables that can impact
Economic performance	<ul style="list-style-type: none"> Continued sluggish economic growth for both ROI and NI (the IMF forecasts Irish real GDP growing 3.3% in 2024). Continued tight employment through 2024; with low unemployment currently, overall labour forecasts show only slow growth in the jobs market. There has been some return of foreign workers to the Irish market post-COVID-19, which has made a small but positive impact on the labour situation. No additional change to the hospitality VAT rate, which returned to 13.5% in ROI during 2023, from the previous reduced rate of 9%. Moderating inflation, continuing a trend that has started in 2023. (Overall menu price inflation is estimated to be 8-12% in 2023 and expected to be 4-6% in 2024). 	<ul style="list-style-type: none"> Speed of economic growth (i.e., quicker or slower than forecasted). Labour issues and availability throughout foodservice, including a stronger or weaker return of foreign workers to the island of Ireland. Interest rates and inflation, spurred by global issues, that remain elevated and discourage both consumer and business spending and investment. Housing policies which have an overarching impact on labour availability. Large-scale conflicts in Ukraine and the Middle East remain a de-stabilising economic challenge.
Tourism	<ul style="list-style-type: none"> Continued return of tourism, particularly from North American visitors, but weaker than average demand from both British and European tourists. Ongoing investment in increasing airline capacity. Extreme weather events are difficult to forecast and are not included in current expectations. Continued unavailability of 10-15% of hotel bedroom stock to accommodate Ukrainian refugees.. 	<ul style="list-style-type: none"> Currency exchange rates that fluctuate can make Ireland more or less attractive to visitors from different parts of the world. Fuel prices have an impact on travel affordability; transportation suppliers here may see additional disruption or higher costs that can impact consumer travel plans. A worsening of the situation in Ukraine and/or the Middle East could have a negative impact on tourism.
Return to Work	<ul style="list-style-type: none"> Continued resumption of return to white collar office activities, although expectations are that overall office attendance will not rise above 75% of pre-pandemic levels, as hybrid work remains in effect for many workplaces. With this, continued change in weekday dynamics, particularly for city centers where Mondays and Fridays are seeing below average traffic (and suburban areas are alternatively benefitting). 	<ul style="list-style-type: none"> Slower or faster return to work, particularly at large employers that can have a disproportionate impact on sectors like business dining.

Section Two

Executive Summary

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What is Foodservice?

Foodservice or 'Out of Home' is the term used to describe all food and drink* consumed and prepared out of home. It includes everything from restaurants, pubs, hotels and coffee shops to workplace, hospitals and education catering.

*Please note these figures exclude alcohol beverages.

bordbia.ie



Source: 2023 Irish Foodservice Market Insights Report

Majority of spend in ROI
€6.9bn
or 75%

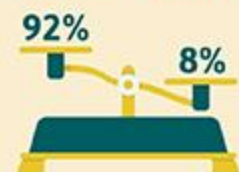


Balance in NI
€2.4bn
or 25%

2024
PREDICTED
GROWTH RATE:
5.2%



The value split between Commercial and Institutional Channels is



6 Critical Factors shaping the Future of Foodservice in Ireland



Summary of Total IOI Foodservice Industry

Consumer and Operator Spend in 2023

The value of the Irish foodservice industry for 2023 is estimated to be €9.29 billion in terms of consumer expenditure and €3.36 billion in terms of operator purchases. This is the first year that the foodservice industry has surpassed 2019 turnover levels, indicating that – at least from a value perspective – the industry has reached full recovery.

Figures shown include both the value of the Republic of Ireland and the converted value (from Sterling to Euro) of the Northern Ireland foodservice market. Importantly, figures in this report exclude alcohol sales.

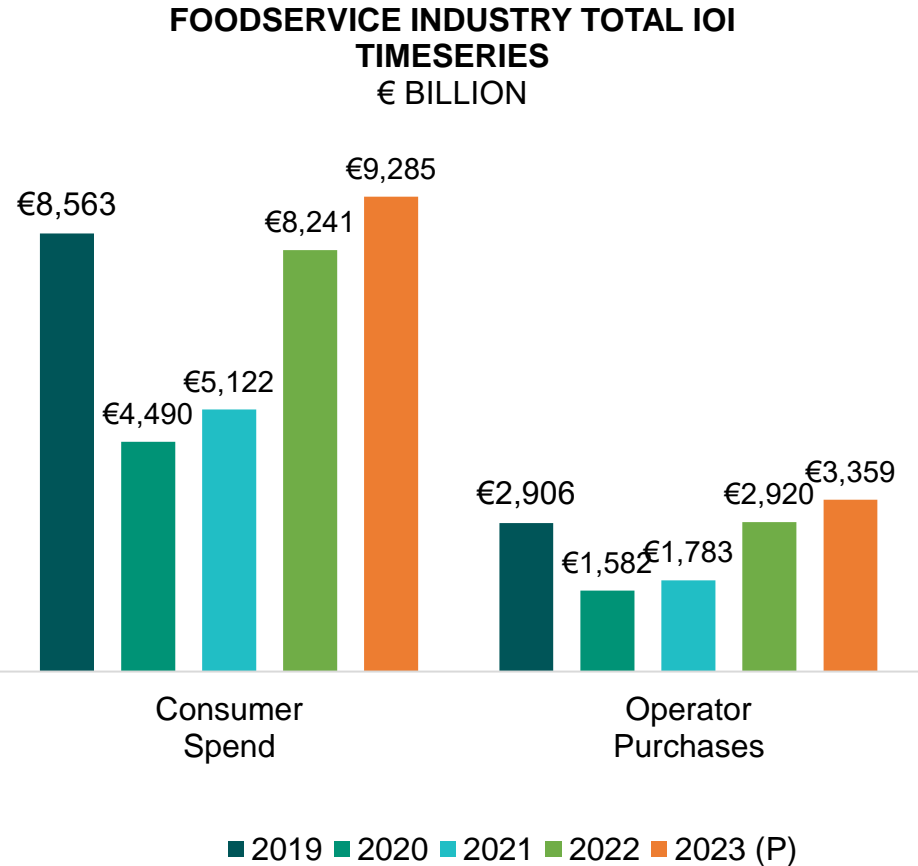
Note that when this report defines “consumer spending,” the term refers to actual consumer spending by diners within all foodservice channels.

In non-commercial channels such as education or healthcare, a retail sales equivalent value is calculated so that these channels can be directly

compared to commercial restaurant sales.

Operator purchases represent the value of distributors’ sales to operators, including distributors’ margins. These purchase values are derived at the channel level by using food cost ratios, which vary by foodservice channel. As will be shown, operator purchases are also the value by which route-to-market estimates are drawn.

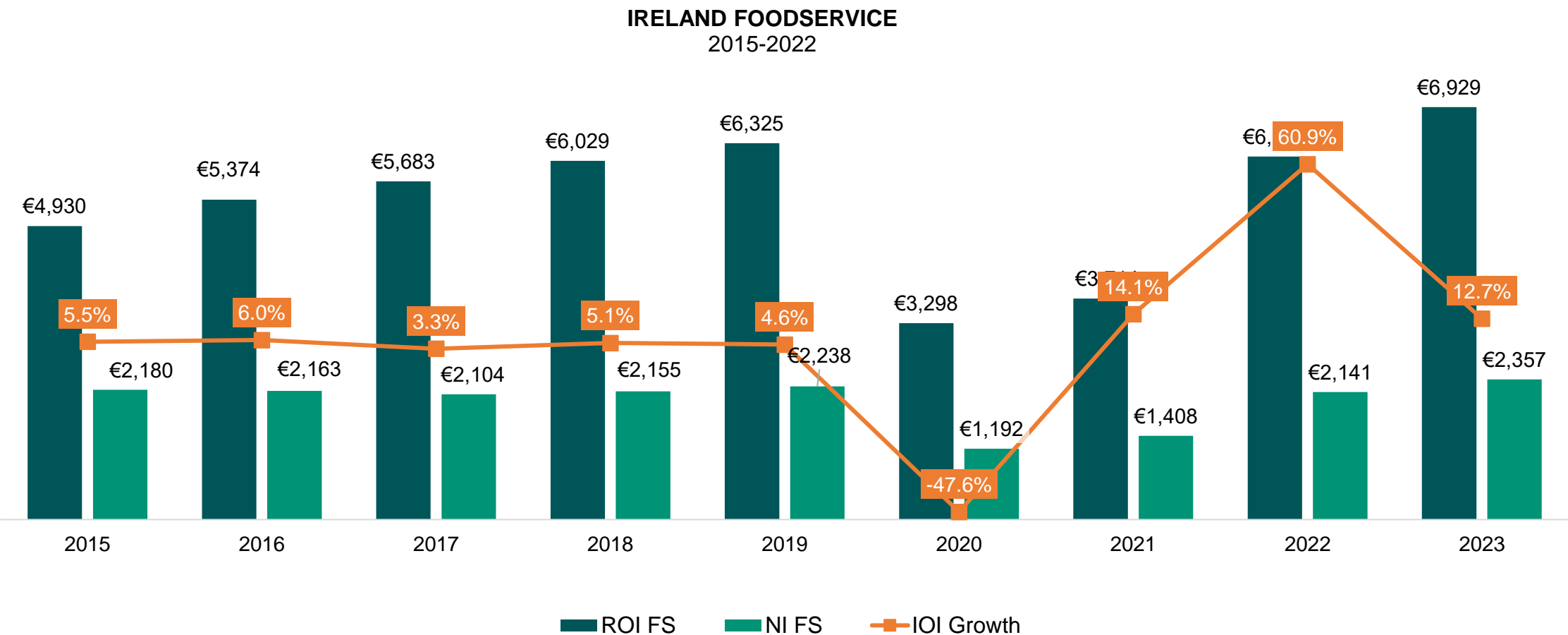
On an overall basis, operator purchases represent approximately 36% of the value of all consumer expenditures in the IOI foodservice industry (blended among all operator segments.) This figures continues to increase as a share of turnover and is reflective of the current cost environment, which is significantly higher than what has been historically experienced by the industry, and the inability for many operators to fully pass on to their customers the price increases that they are receiving.



Source: Bord Bia, Technomic
Note: Figures for previous years have in some instances been updated

Summary Timeseries of IOI Foodservice

Industry Size and Growth, 2015-2023



Source: Bord Bia, Technomic
The values for Northern Ireland have been converted to Euro based on average conversion rates for each year
Note: Figures for previous years have in some instances been updated

Summary of Sector Growth/Decline

2019 through 2023

While growth has moderated from the dramatic increase seen in 2022, the Irish foodservice industry has remained resilient and continued to see strong growth in 2023. In fact, 2023 can be considered “the year of recovery” as the overall value of the industry has returned to pre-pandemic levels.

Importantly, however, this measurement is inclusive of the higher inflationary environment found in Ireland (as it is throughout much of the rest of the world). While the recovery is complete from a value perspective, overall traffic and volume is, in many cases, still below levels seen before the pandemic.

The chart to the right displays the time series of growth by operator

sector (combining both ROI and NI turnover). It also shows the recovery index for each sector relative to its 2019 pre-pandemic value.

- Commercial foodservice grew 13% in 2023 and has fully recovered. Every sector is above pre-pandemic levels, with Limited Service operators (and Coffee Shops) showing the highest recovery. Other Commercial has also rebounded and is at an index of 112.
- Institutional foodservice has mostly recovered; overall growth of 11% brings the recovery index to 95. Business feeders (primarily white-collar offices) remain the lagging sector that have not yet reached pre-pandemic value.

Sector	2019	2020	2021	2022	2023	Index of 2023 Recovery (2019=100)
Limited Service	5.0%	-33.2%	16.0%	34.1%	10.4%	115
Quick Service	4.8%	-33.7%	16.9%	34.5%	11.1%	116
Fast Casual	5.6%	-47.7%	15.5%	63.8%	10.3%	109
Food To Go	5.8%	-25.2%	12.2%	23.7%	7.3%	111
Full Service	4.7%	-56.0%	22.2%	77.0%	16.2%	111
Pubs	2.0%	-64.6%	2.7%	156.2%	13.9%	106
Coffee Shops/Cafes	5.8%	-32.0%	20.2%	22.2%	8.9%	109
Hotels & Accommodations	6.1%	-57.3%	13.5%	83.2%	15.5%	103
Other Commercial	6.3%	-69.3%	40.1%	125.1%	15.7%	112
Total Commercial	4.7%	-48.1%	15.6%	62.2%	12.8%	110
Business & Industry	4.5%	-62.6%	-17.7%	121.0%	18.9%	81
Education	2.5%	-9.9%	2.0%	8.4%	6.1%	106
Healthcare	3.2%	-57.8%	26.3%	84.2%	8.2%	106
All Other	3.1%	-4.2%	4.8%	3.7%	4.9%	109
Total Institutional	3.5%	-41.7%	0.3%	47.1%	10.8%	95
Total Foodservice	4.6%	-47.6%	14.1%	60.9%	12.7%	108

Summary of Recovery Indices By Quarter

2020 through 2023

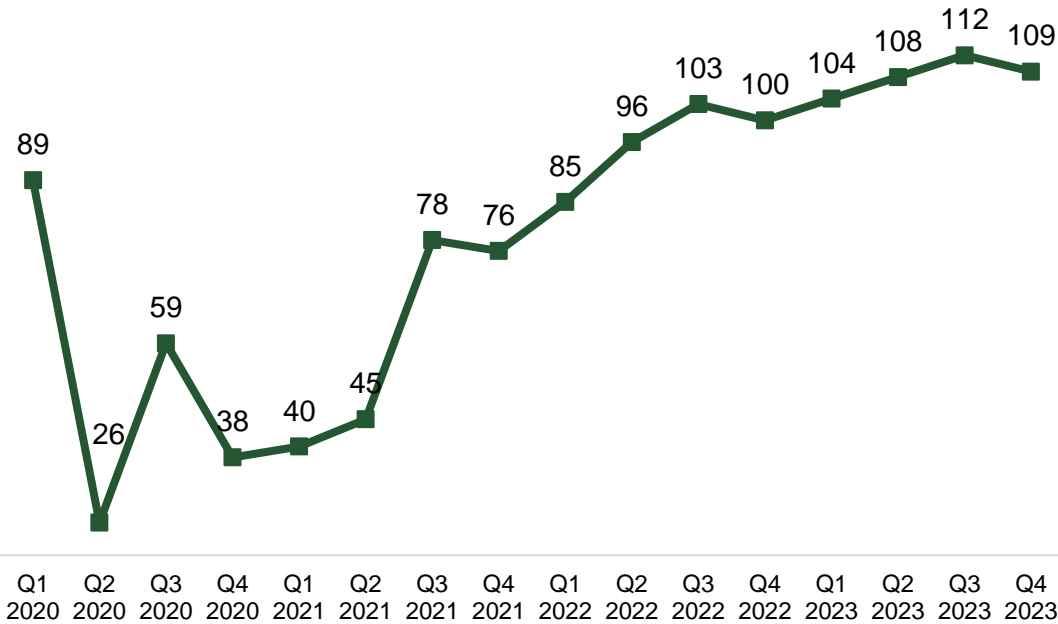
The index shown on the previous page for each sector indicates the full year’s revenue compared to pre-pandemic and shows that the industry has fully recovered its value. However, the industry is also seeing significant differences quarter by quarter.

Coming into 2023, the industry had started a wave of recovery, such that the last two quarters of 2022 indicated full recovery for those time periods. Growth remained strong throughout 2023, but the first two quarters were particularly strong (although were also comparing to weaker figures in 2022). Due to issues with rainy and soggy weather across Ireland in the third quarter and some consumers decreasing their foodservice frequency as inflation continues to impact household budgets, pace of industry sales slowed, but the recovery index continued to grow.

As of the writing of this report (October 2023), projections for the 4th quarter are strong, with early indicators for Christmas bookings, and distributor sales showing an onward trend of growth that should continue throughout the remainder of 2023. However, the trend line does show flattening throughout 2023, indicating that while growth is still occurring, the rate of growth is decelerating – something that is likely to continue into 2024 and will have an impact on overall expectations for next year.

The chart shows the trend line of the Recovery Index by quarter, starting in 2020 and going all the way through the projections for the 4th quarter of 2023 for the entire island of Ireland. Additional detail by sector and by market (ROI vs. NI) can be found later in this report.

QUARTERLY TURNOVER—IOI 2020-2023
INDEXED TO SAME PERIOD IN 2019



Summary of Outlook for 2024

In looking ahead to 2024, expectations from most industry participants indicate a significant slowdown. Many issues have been masked with the ongoing surge in consumer demand, but any pent-up demand remaining from the pandemic years has been spent, and consumers are reacting to economic uncertainty and higher costs with a more discerning approach to foodservice. There is still a strong demand for socialising and experiential dining, and the convenience aspect hasn't disappeared, but consumer frequency and traffic are expected to be essentially flat in 2024.

The expectation for a more normal growth cadence is in line with forecast for many countries around the world, where a confluence of macro and micro economic realities suggest that the 2024 will be a year of retrenchment. Suppliers, distributors and operators – most of whom have seen record-setting growth – will be harder pressed to find organic growth in a market that has likely reached maturity again after regaining lost ground.

With this slowdown in consumer traffic/visits, much of the growth in value in 2024 is expected to be driven by inflation. While the large price increases of the last two years are mostly over, it is likely that the industry will still see an additional 4-6% increases in menu prices. As shown, the expectation for growth in 2024 is 5.2%, which is largely driven by higher prices.

Most sectors are expected to grow in the 4-6% range; B&I is one outlier that is still expected to grow faster (but is the only sector not to reach full recovery).

2023 Growth Forecast IOI	2024 ROI Forecasted Growth	2024 NI Forecasted Growth (in Euros)	2024 Total IOI Forecasted Growth*	Index of Recovery (2019=100)
Limited Service	4.9%	4.2%	4.7%	120.1
Quick Service	4.8%	4.0%	4.6%	121.2
Fast Casual	5.4%	5.4%	5.4%	115.1
Food To Go	5.0%	5.0%	5.0%	117.0
Full Service	5.3%	5.5%	5.3%	116.5
Pubs	4.6%	4.9%	4.7%	111.0
Coffee Shops/Cafes	5.4%	5.2%	5.3%	114.6
Hotels & Accommodations	5.8%	6.0%	5.9%	108.6
Other Commercial	5.6%	5.9%	5.7%	118.3
Total Commercial	5.1%	5.0%	5.1%	115.3
Business & Industry	9.7%	8.1%	9.3%	88.3
Education	4.8%	4.1%	4.6%	110.5
Healthcare	4.5%	4.5%	4.5%	111.0
All Other	4.7%	3.1%	4.3%	114.0
Total Institutional	6.7%	5.4%	6.2%	101.3
Total Foodservice	5.2%	5.0%	5.2%	114.0

Source: Bord Bia, Technomic

*Based on industry figures calculated in Euros, including currency conversion

Note: Figures for previous years have in some instances been updated

Current Forecasts Vs. Previous Iterations

Inflation surge has brought value levels higher than anticipated

As the annual industry report is assembled Bord Bia and Technomic, any previous forecast figures are reviewed. Going back to 2021, the table to the right shows how the industry forecast figures have changed over time for both the Republic of Ireland and for Northern Ireland.

For 2023, it's clear that overall revisions were made upward in both ROI and NI, although the revisions in the Republic were more significant. As noted previously, this has been driven by inflation and by ongoing consumer demand that seems to be continuing, at least through to Christmas of 2023. This also means the recovery indices are higher for both ROI and NI than initially forecast.

For 2024, both ROI and NI show much slower growth, as the industry returns to a more normal growth cadence. Reality is expected to set back in, and much of the “exuberance” around the foodservice industry is likely to subside on macro and micro economic concerns. Still, the Recovery Index shows that the industry will continue to outpace levels from pre-pandemic times.

REPUBLIC OF IRELAND

Calendar Year	November 2021 Forecast	November 2021 Recovery Index	November 2022 Forecast	November 2022 Recovery Index	Current Forecast (Nov 2023)	Current Recovery Index (Nov 2023)
2024	NA	NA	NA	NA	5.2%	115.3
2023	NA	NA	11.3%	107.3	13.6%	109.5
2022	57.1%	92.7	64.3%	96.5	64.3%	96.5
2021	13.2%	59.0	12.6%	58.7	12.6%	58.7

NORTHERN IRELAND *

Calendar Year	November 2021 Forecast	November 2021 Recovery Index	November 2022 Forecast	November 2022 Recovery Index	Current Forecast (Nov 2023)	Current Recovery Index (Nov 2023)
2024	NA	NA	NA	NA	5.0%	109.3
2023	NA	NA	12.3%	103.7	12.6%	104.0
2022	41.8%	87.8	49.6%	92.4	49.6%	92.4
2021	15.8%	61.9	15.4%	61.7	15.4%	61.7

* Growth and indices are based on value in Sterling, not a converted value to Euro
Source: Bord Bia, Technomic

Overall Summary

Industry Surpasses pre-Covid-19 Levels With Strong Growth, But A Slowdown Looms

This year has seen continued resilience in the Irish foodservice industry, and many companies reported record turnover, both as demand remained strong and as inflation pushed prices higher. While most industry participants were buoyant, there have been some ominous warning signs that 2024 may not be as robust, and there was strong sense that companies were preparing for a slowdown next year.

By almost all accounts, Spring and Summer were generally strong, but entering the Autumn there are signs that consumers are growing weary of higher prices, and general economic concerns are beginning to impact their overall foodservice behaviour.

Summarising some of the biggest challenges facing the industry, the table below explores key impacting factors in 2023 and into 2024.

Summary of Key Factors Impacting IOI Foodservice	Comments
Higher prices....everywhere	<ul style="list-style-type: none">The industry has been struggling with cost inflation, both from a food/cost of goods perspective and from other input prices.The industry response has been to pass along these price increases to the consumer. Throughout much of 2023, the consumer seems to have been accepting, but there's a feeling that the industry has reached its limit in terms of ability to pass along additional costs.
Beginning of deceleration in energy prices	<ul style="list-style-type: none">Many operators are currently locked into contracts; some had to lock at the peak of the market, and while costs are coming down, they are still at higher rates vis á vis 2019.
Labour	<ul style="list-style-type: none">Labour remains one of the most challenging aspects of the foodservice industry right now, although it's reportedly slightly less difficult today than it was 1-2 years ago. Labour challenges are particularly acute in urban areas where housing shortages and high living expenses are discouraging workers to live nearby and there is some linkage between the cost of housing and wage inflation.
Globalisation of the Irish Industry	<ul style="list-style-type: none">While Ireland is a small country in relation to its place in Europe, it continues to attract large multi-national players throughout all parts of the industry. Global chain operators, contract caterers, distributors and suppliers have invested in Ireland to date, and the industry will likely face additional consolidation in the next 3-5 years as these players continue to invest and acquire.
Consumers under pressure	<ul style="list-style-type: none">The overall theme reiterated throughout this research was the continued (and in some cases unexpected) resilience of the Irish consumer. Even as cost of living has increased dramatically and foodservice prices have risen to historic highs, the majority of 2023 has continued to see ongoing demand. That being said, there is a strong sense that consumer resilience may be weakening and expectations for 2024 are much dampened relative to this year as they come under pressure from increasing costs and potential economic slowdown.
Sustainability mindset	<ul style="list-style-type: none">The topic of sustainability is very much on the minds of the foodservice industry, but for some operators where margins have been squeezed, it has taken a lower level of importance. There is widespread acknowledgement that more can be done by the industry.Much of the focus has been on energy, which has also been driven by the need to control costs (as noted above).. Packaging and waste management are also both critical emphases. Certain initiatives such as lowering carbon footprint or reaching carbon neutrality are more advanced in certain Institutional sectors.

Analysis of Trends Within Commercial Channels

Overarching Trends and Findings

The issues described on the previous page are industry-wide concerns. For Commercial Channels, there are a number of additional trends that have been noted for 2023; many of these are ongoing and are notable for their impact on today's commercial operator.

Noted Trends	Comments
Delivery Slowdown	<ul style="list-style-type: none"> During 2020-21, the industry pivoted to off-premise initiatives, and delivery was a primary beneficiary. As the industry has returned to a more normal order of operations, it had always been projected that delivery would not continue the same pace of growth, and it has certainly cooled. While delivery has not declined (and it has kept the turnover that it gained during the pandemic) consumer demand for delivery has plateaued. This has occurred alongside challenges in finding couriers due to the labour situation, and many delivery aggregators are looking outside restaurants to other close-in delivery options (convenience, grocery, pharmacy) to bundle more value to the consumer.
Back to basics, but a need to innovate	<ul style="list-style-type: none"> Successful commercial operators currently appear to be “winning” at doing the basics – strong service levels, good perceived value for the money, craveable options and a strong ambience. There has not been as much innovation on the menu as had been seen prior to the pandemic, however at the same time, there was widespread recognition that more needed to be done to bring “new news” to customers and create additional reasons for a visit.
Menu engineering to improve profitability	<ul style="list-style-type: none"> With cost increases continuing throughout 2023, operators have worked to engineer menus as much as possible to maximise profitability. While menu price increases are part of this, there is a lot more work on understanding overall product cost. In some cases, this can involve removing more expensive cuts of meat, eliminating certain types of produce, paring back the number of menu items, or reducing portion size. The challenge for operators is to minimise changing menus (along with higher prices), while remaining mindful of the broader value proposition at play.
Sustainability and cost control linked	<ul style="list-style-type: none"> Interest in sustainability within the Commercial channel was varied. As costs increased, many operators noted that they investing in sustainable initiatives was not an immediate priority, although many energy-related initiatives have had the additional impact of driving lower usage (thus linking energy consumption to broader sustainability goals). However, most noted that sustainability will continue to grow in importance, particularly if/when the broader cost environment turns more favourable.. For many Commercial operators, much of the sustainability developments have centred around packaging, particularly in light of potential future regulations relating to single use packaging.
Highs and lows of urban locations	<ul style="list-style-type: none"> Urban locations are still largely dependent on office workers during morning and afternoon dayparts, and many operators that are within urban areas note that breakfast and lunch are still lagging in recovery (this is also somewhat variable based on the day, as Tuesday through Thursday is better than Mondays or Fridays.) However, some restaurants and pubs report strong success in urban areas, particularly those that are close to music or sporting events. There has also been a shift in the perceived “attractiveness” of certain urban areas are, given that some neighborhoods have yet to see pre pandemic businesses levels return.

Analysis of Trends Within Institutional Channels

Overarching Trends and Findings

Many of the key trends discussed in the Commercial Channels have also been identified in the Institutional sectors, and they face many of the same macroeconomic conditions as operators in other parts of the industry. However, there are a number of additional trends that tend to be more specific and occurring more regularly in the Institutional sectors, including:

Noted Trends	Comments
Investment in food	<ul style="list-style-type: none">While many of the Institutional operators have “captive” audiences, there is continued investment in creating experiences that rival the high street, whether to encourage people back (such as office workers) or to create value (as in a hospital lobby coffee shop.) As such, there has been widespread investment in food to elevate offerings to the patrons of these operations.
Diversification of service model	<ul style="list-style-type: none">While most segments have surpassed overall pre-pandemic revenues, regaining traffic within many of these operations has had mixed success. More and more operators are diversifying their businesses to be less reliant on the service of food – this often means more focus on managing the entire facilities (grounds, janitorial, etc.), uniforms, broader procurement, etc. This allows greater revenue per host location and creates additional synergies. Often in buildings with multiple tenants or in office parks with numerous companies, there are now incrementally more opportunities to sell a wide variety of services into each of those.
Structural change to contracting with clients (“de-risking”)	<ul style="list-style-type: none">The high inflationary environment has led many contract caterers operating in these sectors to re-think how they work with their clients. Contracts are increasingly cost-plus to shift the risk of inflation back on to the host organisation, and there is an increasing acceptance of management fees.
Carbon neutrality mindset	<ul style="list-style-type: none">Sustainability is much more critical within Institutional operators, who’s clients or host organisations often have overarching goals to which foodservice operations must adhere. These hosts are demanding action, not just commitments, and Institutional foodservice is more advanced in general in investing in things like carbon neutral menus, food waste, use of upcycled materials, local food sourcing and so forth than commercial operators have been to date.

Initiatives for Success

Positioning for A Slowdown

The Irish foodservice industry has been remarkably resilient over the past three years, but after several years of strong growth an inevitable deceleration is expected in 2024. Still, there will remain pockets of growth and opportunity, and the industry will need to re-position itself in preparation not only for a slowdown but also to re-orient toward those areas of growth.

To do so, there are five imperatives for the industry:

Supplement your value proposition and leverage premiumisation

“Value” continues to take on added importance, but value shouldn’t just focus on price. There are opportunities to create a value proposition around other things that the industry needs, including consistency, higher yield, and flexibility in use case. There is also a portion of industry growth coming from premiumisation. This is an area where the industry can continue to invest as customers are looking for premium experiences – and operators want to provide them. There are opportunities to take offerings to the next level where margin potential is higher as well.

Ensure your points of differentiation are relevant and truly unique

As the industry (re)-enters a period of slower growth and mature outlook, it will increasingly revert to a take-share competitive situation. In this environment, it's critical to differentiate from competitors, but make sure that the “unique” position is relevant to customers. Being different in areas of no importance to customers brings no value.

Build the future with a sustainability mindset

Sustainability initiatives vary, but the industry overall is moving toward a sustainable future. Many operators are distracted with other short-term challenges at present, but the combination of regulation and changing consumer desires can often create the need for change and turn about in a short period of time. Any planning or future investment should be viewed through the lens of how it can support a commitment to sustainable growth.

Diversify supply bases

While supply chains are ‘mostly’ fixed, there are still vulnerabilities throughout the supply chain, and global events continue to create potential for hardship. For operators, this may mean sourcing from multiple companies and being proactive in developing alternatives for vulnerable products. While fresh items remain most desirable, there is likely a potential for growth in frozen items that have longer shelf lives.

Invest in tech solutions, but realise it’s not the full antidote

The industry is increasingly driven by technology, but it won’t cure many (or most) of the labour issues that exist. The return on back-of-house tech is still mostly unproven, and front-of-house tech should be viewed more as a way to enhance the consumer experience – keeping in mind it often involves less engagement between the customer and the staff.

Section Three

Detailed Size and Segmentation Data for the Irish Foodservice Industry 2023

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Commercial and Institutional Channels

Total Island of Ireland, 2023 vs. 2022

Within the broader foodservice figures on the island of Ireland, this report evaluates both Commercial and Institutional spending and purchases.

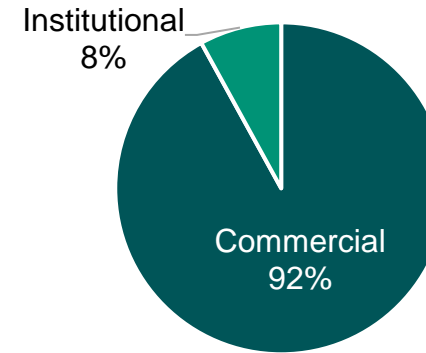
As noted, the overall industry value has increased to €9.29 billion in consumer spending in 2023, up from €8.24 billion in 2022. Overall purchases by the operator community on food, non-alcohol beverage and other items (such as packaging for foodservice) increased to €3.36 billion in 2023 from €2.92 billion in 2022.

Commercial channels include limited-service restaurants, full-service restaurants, pubs, coffee shops/cafes, hotels and other commercial foodservice establishments, such as cinemas, theme parks, tourist attractions, sport venues and clubs, spas, events catering, recreational activities and cruises. Overall commercial sales continued to see strong growth in 2023 based on underlying consumer spending and higher inflation.

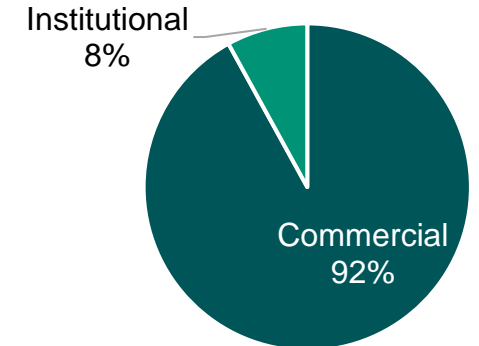
Institutional channels include Business & Industry locations, healthcare facilities, educational institutions and other institutional foodservice establishments, including government organisations, prisons and armed forces. These sectors are traditionally more stable and exhibit fewer fluctuations in growth. However, inflation has impacted these sectors as well, and as a result, growth in the institutional channels was up nearly 11% in 2023.

In 2023, commercial channels accounted for 92% of the value of total consumer spending and 90% of the total value operator purchases. These are generally consistent with previous years, although the value of purchases has gained one point in 2023 as operators saw higher input prices.

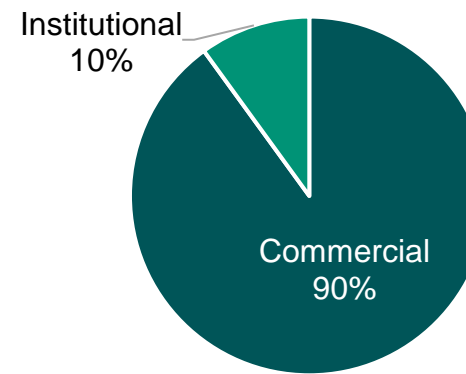
**TOTAL 2023
CONSUMER SPEND**
€9.29B



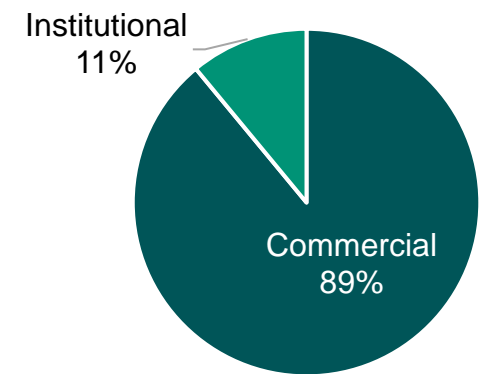
**TOTAL 2022
CONSUMER SPEND**
€8.24B



**TOTAL 2023
OPERATOR PURCHASES**
€3.36B



**TOTAL 2022
OPERATOR PURCHASES**
€2.92B



Commercial Channels 2023 vs. 2022

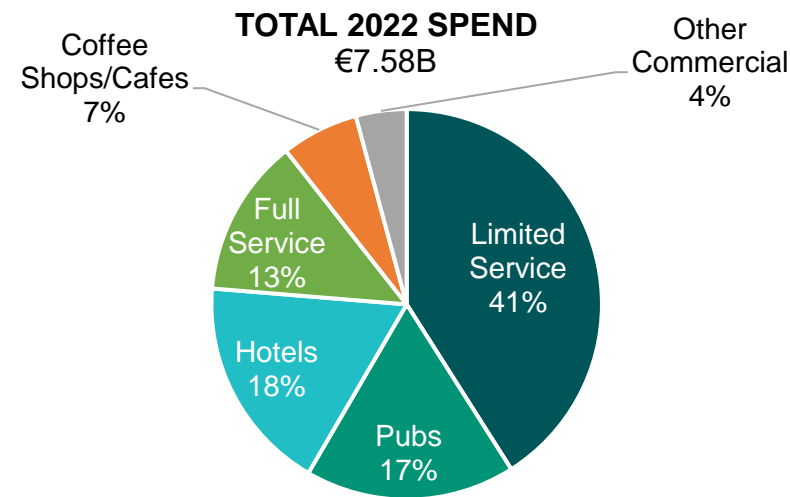
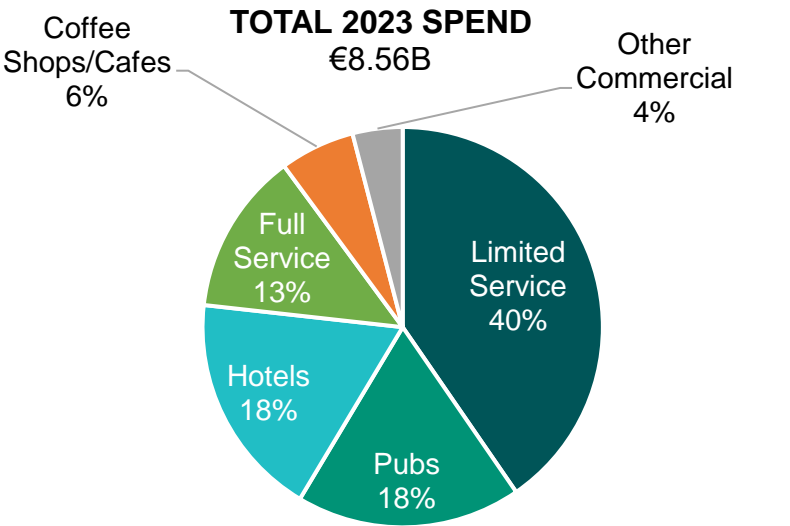
Total Island of Ireland

As noted on the previous page, commercial channels within the Republic of Ireland and Northern Ireland represent the vast majority of the value spend within the Irish foodservice channel. In 2023, the Commercial sector gained nearly €10 billion in value in consumer spending.

In 2022, total Commercial foodservice was €7.58 billion in consumer spending for the entire island of Ireland; in 2023 this figure grew to €8.56 billion, or an increase of 13%. This is the first time since the pandemic that the Commercial value exceeded levels last seen in 2019.

Examining the Commercial channel in greater detail, there is strong growth across the board, with full-service restaurants (FSR), hotels and other commercial establishments benefitting the most. Limited-service restaurants (LSR) were up 10% but operators reported more challenges in pushing price increases through.

Similarly with coffee shops, overall growth was generally strong, but was less than other areas of commercial foodservice. Given that limited-service restaurants still account for 40% of the commercial business, this growth has a slight dampening effect on broader industry growth.



Total Island of Ireland
Source: Bord Bia, Technomic
Note: Figures for previous years have in some instances been updated

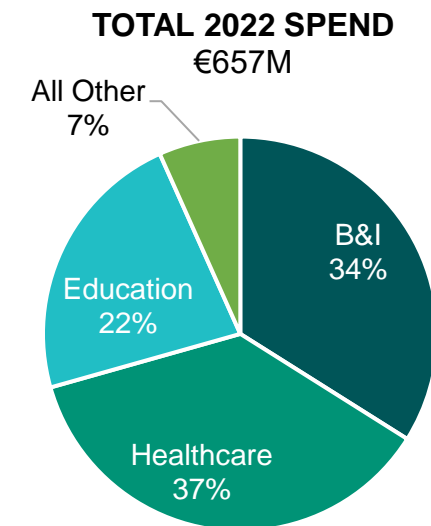
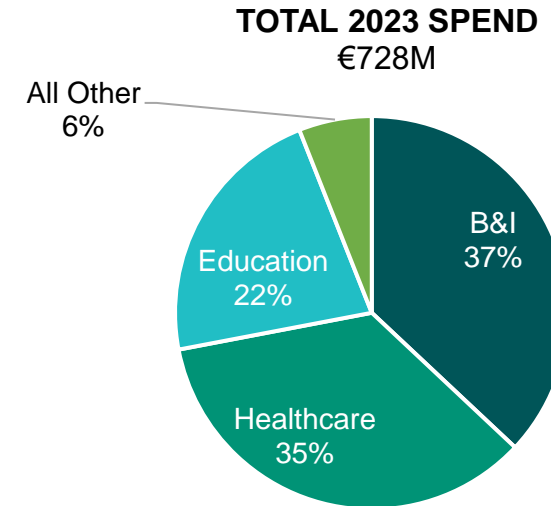
Institutional Channels 2023 vs. 2022

Total Island of Ireland

Within the Island of Ireland, the Institutional channels (sometimes referred to as Non-Commercial) are relatively smaller compared to Commercial foodservice. Overall, Institutional operators generate €728 million in value within the Irish foodservice channel. These operators often saw significant disruption during 2020 and 2021 but in most cases have returned to pre-pandemic turnover levels. For calendar year 2023, the increase across these sectors was 11%, leading to an increase in the Institutional sector's value of €71 million in consumer spending.

Looking deeper into the Institutional channel, the largest sector remains Business & Industry. This sector is the only one across all of foodservice that remains below 2019 turnover levels; overall return to work has caused a lag in growth. Still, this sector represents 37% of revenue in the Institutional challenge and it has seen above average growth, with nearly 19% increase seen in 2023.

Other Institutional sectors are much more based on the population of the underlying segments, with growth that reflects this.. Healthcare operations have seen a return of many of the a la carte operations, and universities are back to full in-person instruction. Both are growing at mid to high single digit rates.



Total Island of Ireland

Source: Bord Bia, Technomic

Note: Figures for previous years have in some instances been updated

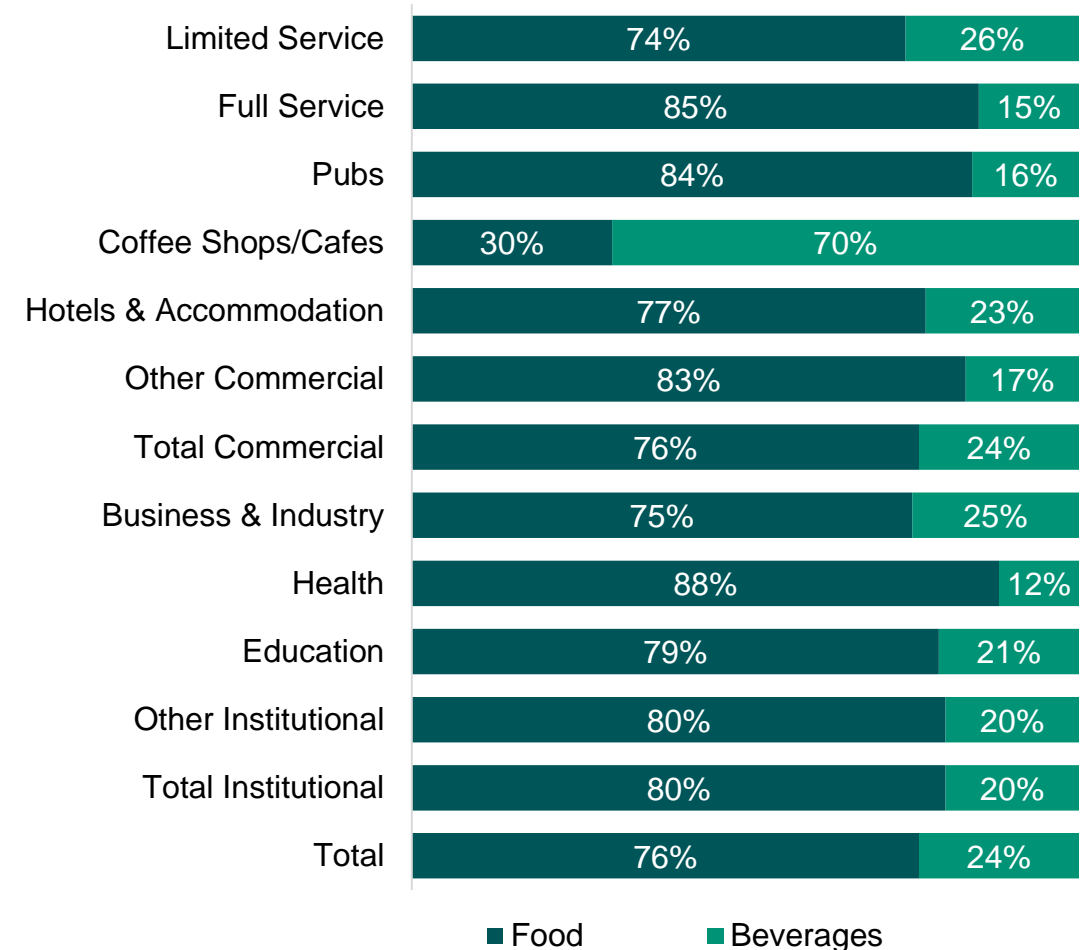
Food and Beverage Revenue Split in 2023

SHARE OF TOTAL REVENUE 2023 TOTAL IOI FOODSERVICE MARKET

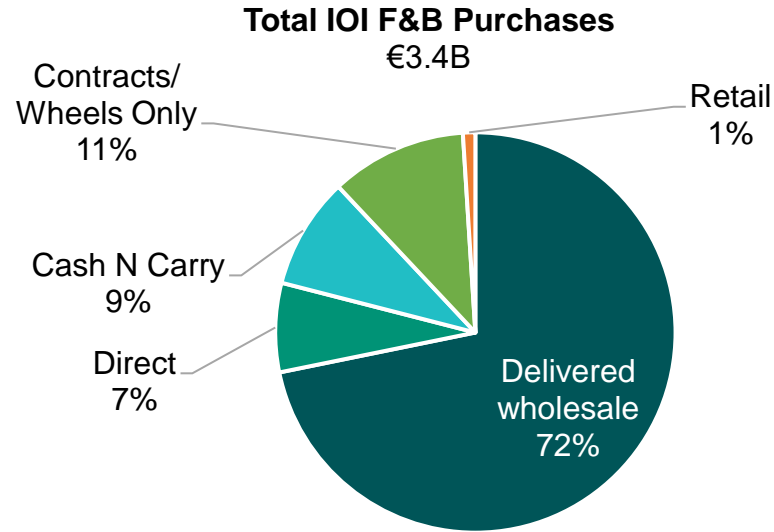
Overall sales have returned to a more “normal” share, and the split between food and beverage has been relative stable. Beverage in particular has regained its pre-pandemic share, gaining each of the past two years as the dine-in business and normal operations have returned. Note that these figures have been developed to include only non-alcohol beverage.

While shifts toward beverage are encouraging to operators from a margin perspective (beverages generally have higher profit compared to most food items), the cost environment remains a significant challenge for operators. Despite higher menu prices, operators found it difficult to fully cover increasing food, labour, energy and other costs with higher prices, and operator margins are significantly more challenged than they have been historically. Other items – such as non-foods – are generally not included in these figures (with the exception of packaging, which is a direct cost for the menu), but operators report that costs on nearly everything have continued to rise.

As in the past, the share of beverage revenue is higher in the Commercial channel, where coffee shops/cafes and limited-service (which includes takeaway and food-to-go) drive that beverage percentage higher.



Route to Market 2023



2023 Irish Foodservice Route To Market	2022-23 CAGR	Index to 2019
Delivered wholesale	17.2%	121.9
Direct	12.2%	88.3
Cash & Carry	6.7%	110.4
Contracts/Wheels Only	11.0%	106.0
Retail	8.1%	105.5
Total	15.0%	115.6

Operator purchases tend to grow at a slightly different rate than consumer spending. Over the past several years, this report has worked to differentiate between the growth of consumer spending and what is seen at the operator purchase level. This has been particularly necessary since the cost environment has been growing much more quickly than the operators' ability to recoup those costs through higher menu prices. In 2023, operator purchases grew at a rate of 15% (at a higher rate than consumer spending) to reach a value of € 3.4 billion. This figure can also be viewed as the aggregated size for route-to-market players in Ireland (operator purchases equals distributor sales).

- The most prevalent route to market in Irish foodservice remains **wholesale delivery**, which accounted for 72% of operator purchases in 2023 and saw growth of 17%. This type of distribution gained share over the past year and is indexing well above 2019 levels. There has been a great deal of consolidation and many wholesalers are working at becoming

a “one-stop” shop for all of the needs of their operator customers.

- The **Cash & Carry** segment represents approximately 9% of the total value of purchases delivered. This area hasn't grown as quickly; operators still value the shopping experience at many of these outlets, but are often switching more purchase to delivery.
- The **contract “wheels only”** reflects the conditions of not only large chains, but also contract caterers that tend to have a “cost plus” arrangement for distribution. This area was up 11% in 2023 and is now past pre-pandemic values as much of the contract caterer business has recovered.
- Operators also occasionally source from **retail outlets** (i.e. purchase directly from a supermarket). This only accounts for a small share of the business and its share fell somewhat in 2023, as operators opted to source from more traditional distribution types.

Product Category Segmentation

As noted, the value of operator purchases is tracked separately from the value of consumer spending in Ireland. In 2023, the value of all operator purchases is calculated to be 3.36 billion, up 15% from last year. Determining the overall rate of inflation is challenging, but it does appear that operators, despite raising menu prices, are still absorbing some of these higher costs and as a result are experiencing tighter margins.

Cost increases have put immense pressure on certain categories and are reflected in this higher rate of growth, relative to consumer spending.

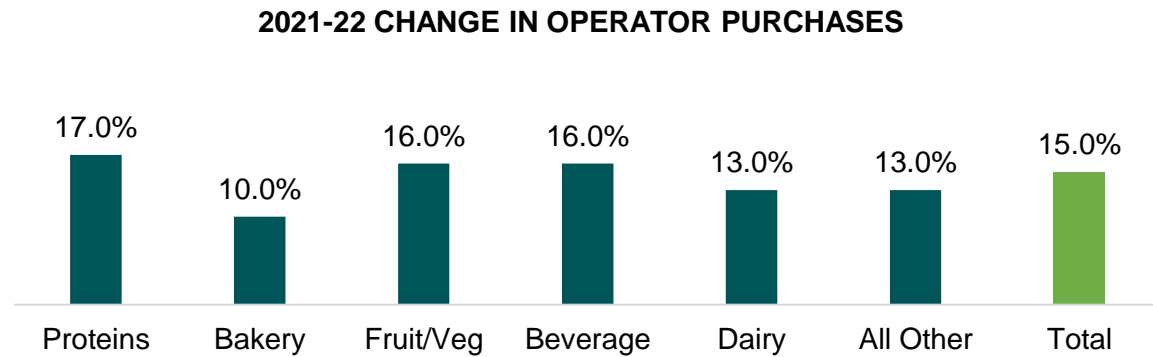
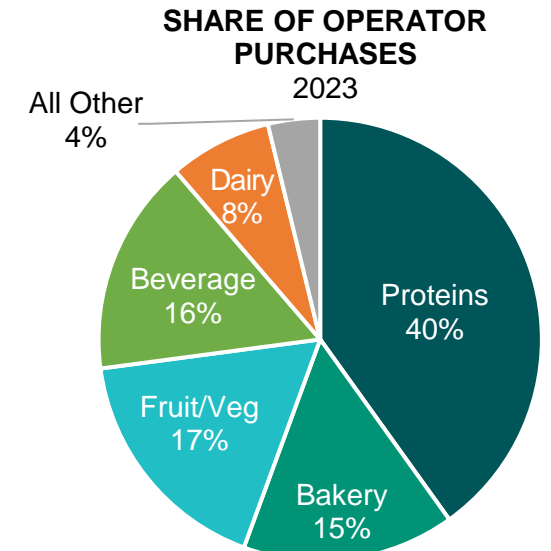
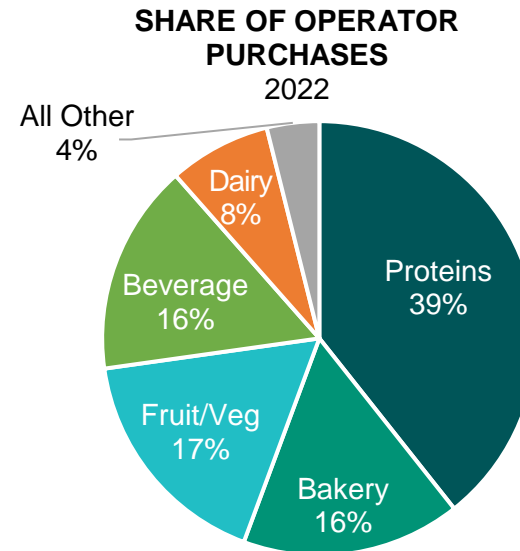
Looking at specific product categories and types, proteins remain the largest product category in terms of operator purchases, accounting for 41% of the total (up 2 points from last year). This reflects largely higher commodity costs, particularly on beef. Operators report

that they continue to engineer their menu to remove higher cost proteins, and/or look to alternative and less costly cuts.

Bakery, fruit and vegetables and beverages all represent between 15-17% of purchases. Bakery in particular has dropped a point.

Note that “all other” figure includes packaging costs that are specifically included as “cost of goods” in the food or beverage item this includes single-use cups as well as wraps, bags, etc. This category would also include any other food item not otherwise noted. There is some slowing in the usage of single-use packaging and more expected, particularly with regulatory requirements that are expected to roll out in early 2024.

The figures shown here include both ROI purchases, as well as food and non-alcohol beverage purchases made in Northern Ireland and converted to Euro.



Source: Bord Bia, Technomic

Note: Figures for previous years have in some instances been updated

2023 Foodservice Product by Value

Fruit, vegetables, poultry, beef and bread/bakery (non-sweet) account for approximately half of operator purchases. While these top four categories have held their position for some time, the overall share has grown slightly for these categories in aggregate as operators have faced inflationary increases in many of these categories.

The figures shown here include all purchases on the island of Ireland and as are an aggregate of both ROI purchases as well as purchases made in Northern Ireland (with the value converted to Euro). They include all food and non-alcohol beverage items.

Product Category	Estimated Change 2022-23	2023 Operator Purchases (€ millions)	Share of Total (%)
Fruit & Vegetables	16.0%	€ 580	17%
Poultry	18.0%	€ 458	14%
Beef	19.0%	€ 369	11%
Bread/Bakery Savoury	11.0%	€ 320	10%
Bacon	16.0%	€ 262	8%
Dairy	13.0%	€ 252	8%
Sweet Bakery	7.5%	€ 147	4%
Pork	16.0%	€ 142	4%
Fish/Seafood	14.0%	€ 92	3%
Grocery	11.0%	€ 47	1%
Confectionery	8.5%	€ 24	1%
Desserts	6.8%	€ 30	1%
Lamb	14.0%	€ 24	1%
Beverage	15.5%	€ 531	16%
All Other	13.4%	€ 80	2%
Total	15.0%	€ 3,359	100%

Source: Bord Bia, Technomic estimates based on market input

Note: Figures for previous years have in some instances been updated

Summary of On-Premise Trends

“Off-premise” is defined as any meal/occasion that is consumed outside of the dining room. In general, it consists of takeaway (including click-and-collect), delivery (both aggregators and self-delivery), drive-thrus and catered events (i.e. restaurants bringing meals to corporate events, etc.).

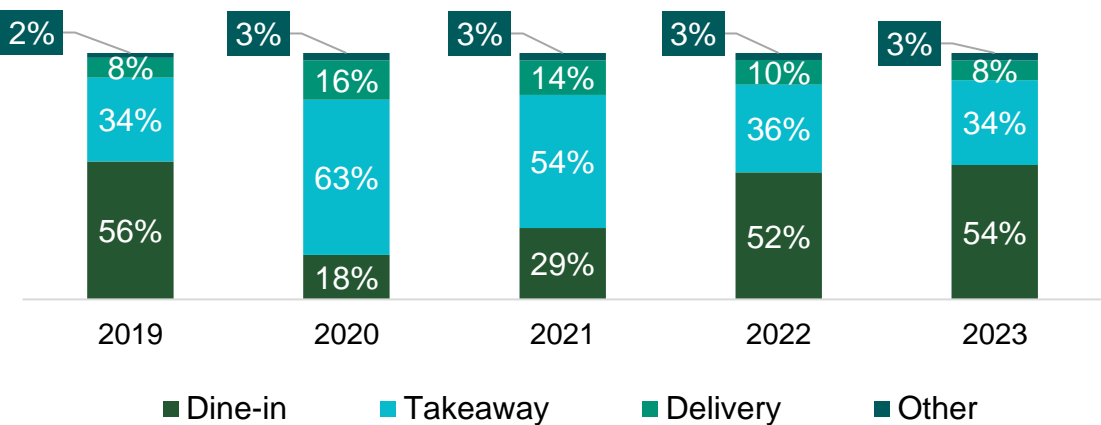
Operators report that their overall off-premise business has remained stable, but the explosive growth seen during the pandemic years of 2020 and 2021 has subsided significantly. With dine-in available for the full year, the pandemic effects are fully cycled through, and overall on-premise (dine-in) continued to regain share in 2023, almost back to pre-pandemic levels.

At the same time, growth in takeaway and delivery, while still growing, is decelerating and expanding at rates lower than overall industry growth. As a result, both have lost some share, although the value of both is significantly higher than it was pre-pandemic.

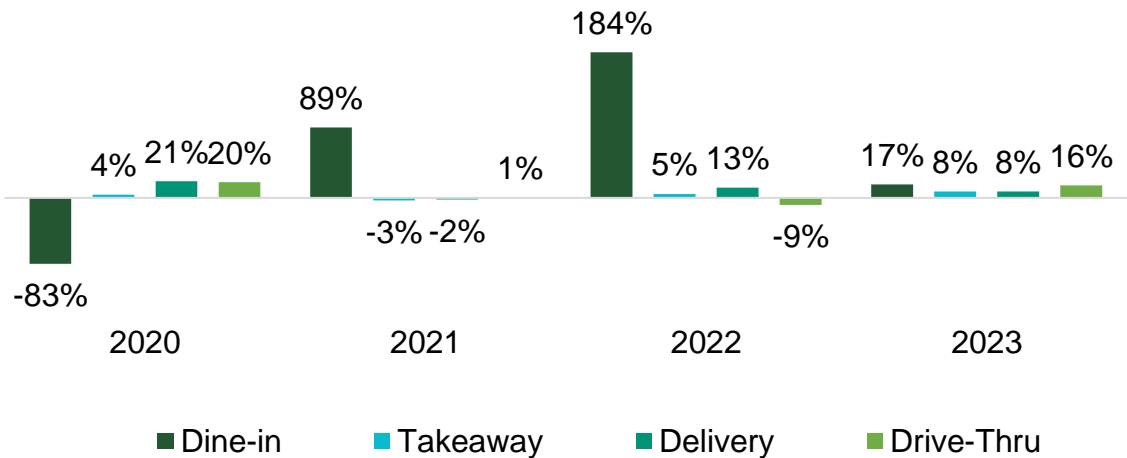
Delivery remains driven by consumers’ need/demand for convenience, but higher prices have caused some pull-back in delivery options. This can also be seen in the strategies of many aggregators, which are focused on delivering a broader ‘basket’ of items to consumers including grocery, convenience, and in some cases pharmacy and other retail-type products as part of their delivery.

Drive-thrus remain a very small but growing part of the Commercial foodservice space in Ireland. There are limited opportunities to install drive-thrus, but where it makes sense (motorways etc.), operators are adding these as options for their consumers. This reflects a growing global trend for many QSR (and even full-service) operators.

SHARE ON- VS. OFF-PREMISE



CHANGE IN TURNOVER



Source: Bord Bia, Technomic
Includes only Limited Service, Full Service, Pubs and Coffee Shops in this analysis, ROI only
Note: Figures for previous years have in some instances been updated

Irish Foodservice Market Snapshot 2023

Total island of Ireland (IOI) Consumer Spending and Operator Purchases

2023 Total Irish Foodservice Market	2023 Consumer Spending (€M)	2022 Consumer Spending (€M)	2023 Operator Purchases (€M)	2022 Operator Purchases (€M)	2022-23 CAGR (in €)
Limited Service (QSR, fast casual, food to go)	€ 3,438	€ 3,113	€ 1,238	€ 1,092	10.4%
Full Service	€ 1,150	€ 990	€ 405	€ 344	16.2%
Pubs	€ 1,502	€ 1,319	€ 510	€ 446	13.9%
Coffee Shops/Cafes	€ 525	€ 482	€ 147	€ 134	8.9%
Hotels & Accommodations	€ 1,572	€ 1,361	€ 554	€ 461	15.5%
Other Commercial	€ 370	€ 319	€ 131	€ 112	15.7%
Total Commercial	€ 8,557	€ 7,584	€ 2,985	€ 2,588	12.8%
Business & Industry	€ 265	€ 223	€ 135	€ 113	18.9%
Healthcare	€ 255	€ 241	€ 135	€ 125	6.1%
Education	€ 162	€ 149	€ 80	€ 72	8.2%
Other Institutional	€ 46	€ 44	€ 23	€ 22	4.9%
Total Institutional	€ 728	€ 657	€ 374	€ 332	10.8%
Total IOI	€ 9,285	€ 8,241	€ 3,359	€ 2,920	12.7%

Total Island of Ireland

Source: Bord Bia, Technomic

Note: Figures for previous years have in some instances been updated

2023 Irish Foodservice Market Snapshot

Republic of Ireland Consumer Spending and Operator Purchases

2023 ROI Foodservice Market	2023 Consumer Spending (€M)	2022 Consumer Spending (€M)	2023 Operator Purchases (€M)	2022 Operator Purchases (€M)	2022-23 CAGR (in €)
Limited Service (QSR, fast casual, food to go)	€ 2,629	€ 2,355	€ 944	€ 829	11.6%
Full Service	€ 813	€ 693	€ 286	€ 241	17.3%
Pubs	€ 1,120	€ 979	€ 380	€ 332	14.4%
Coffee Shops/Cafes	€ 397	€ 360	€ 111	€ 101	10.1%
Hotels & Accommodations	€ 1,183	€ 1,024	€ 416	€ 348	15.5%
Other Commercial	€ 294	€ 251	€ 104	€ 88	17.3%
Total Commercial	€ 6,436	€ 5,663	€ 2,241	€ 1,939	13.6%
Business & Industry	€ 194	€ 163	€ 99	€ 83	19.0%
Healthcare	€ 161	€ 149	€ 85	€ 78	8.1%
Education	€ 102	€ 91	€ 50	€ 45	11.5%
Other Institutional	€ 36	€ 34	€ 18	€ 17	6.1%
Total Institutional	€ 493	€ 437	€ 252	€ 222	12.7%
Total Republic of Ireland	€ 6,929	€ 6,101	€ 2,493	€ 2,161	13.6%

ROI only

Source: Bord Bia, Technomic

Note: Figures for previous years have in some instances been updated

2023 Irish Foodservice Market Snapshot

Northern Ireland Consumer Spending and Operator Purchases

2023 NI Foodservice Market	2023 Consumer Spending (€M)	2023 Consumer Spending (£M)	2022 Consumer Spending (€M)	2023 Operator Purchases (€M)	2022 Operator Purchases (€M)	2022-23 CAGR (in Sterling)
Limited Service (QSR, fast casual, food to go)	€ 810	£705	€ 758	€ 294	€ 263	9.3%
Full Service	€ 338	£294	€ 297	€ 119	€ 103	16.2%
Pubs	€ 382	£332	€ 339	€ 130	€ 113	15.0%
Coffee Shops/Cafes	€ 128	£112	€ 122	€ 36	€ 34	8.0%
Hotels & Accommodations	€ 389	£339	€ 337	€ 138	€ 113	18.3%
Other Commercial	€ 76	£66	€ 69	€ 27	€ 24	12.5%
Total Commercial	€ 2,122	£1,848	€ 1,921	€ 745	€ 649	13.0%
Business & Industry	€ 71	£62	€ 60	€ 36	€ 30	21.2%
Healthcare	€ 94	£82	€ 92	€ 50	€ 47	5.3%
Education	€ 60	£52	€ 58	€ 30	€ 28	5.5%
Other Institutional	€ 10	£9	€ 10	€ 5	€ 5	3.2%
Total Institutional	€ 235	£205	€ 219	€ 121	€ 110	9.6%
Total Northern Ireland	€ 2,357	£2,052	€ 2,141	€ 866	€ 759	12.6%

NI only

Source: Bord Bia, Technomic

Note: Figures for previous years have in some instances been updated

Foodservice Industry Forecasts for 2024

2023 saw continued recovery, with many industry participants surprised that sales remained as strong as they were, given the extent of ongoing headwinds (energy, labour, inflation, etc.). Going forward, it is expected that 2024 will be the first “normal” year, where things have truly settled down and overall growth cadences are expected to return to levels more typically seen pre-pandemic when the industry was a relatively mature i.e. low growth industry.

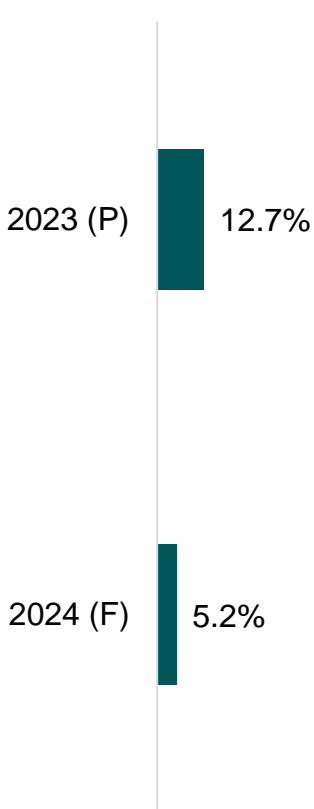
Along with a return to growth patterns, there is some concern that the industry has begun to push consumers away with higher prices, driven by both ongoing supply chain increases and by industry uncertainties and a higher cost environment. Given these headwinds, overall traffic (or visits) is expected to remain flat in 2024, with any growth in value of the industry coming from continued price increases.

It is generally recognised that overall pricing cannot continue to match the pace seen in 2022/23. Forecasting menu price inflation can be challenging, but for 2024 it is assumed that menu price inflation to consumers will be 4-5%. While there is great variability in the forecasts based on macroeconomic and global factors, the mid-point estimate is for the industry to increase by just over 5% in 2024.

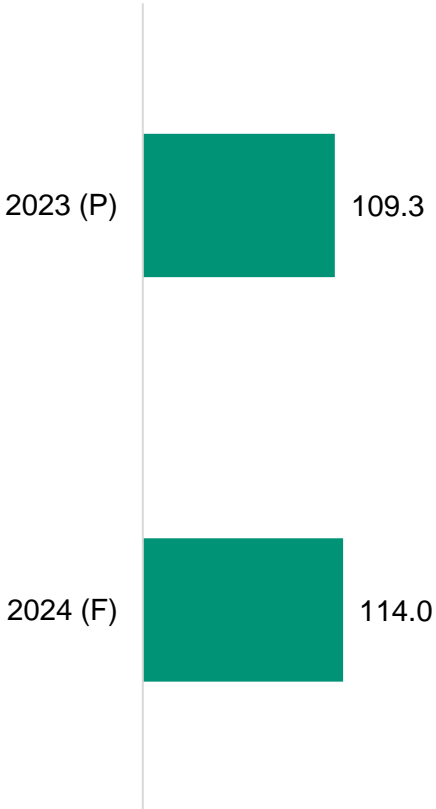
The total value of the industry in 2024 is expected to be €9.8 billion; which would equate to a Recovery Index of 114.

FOODSERVICE INDUSTRY FORECAST

CHANGE IN CONSUMER SPENDING ANNUAL GROWTH

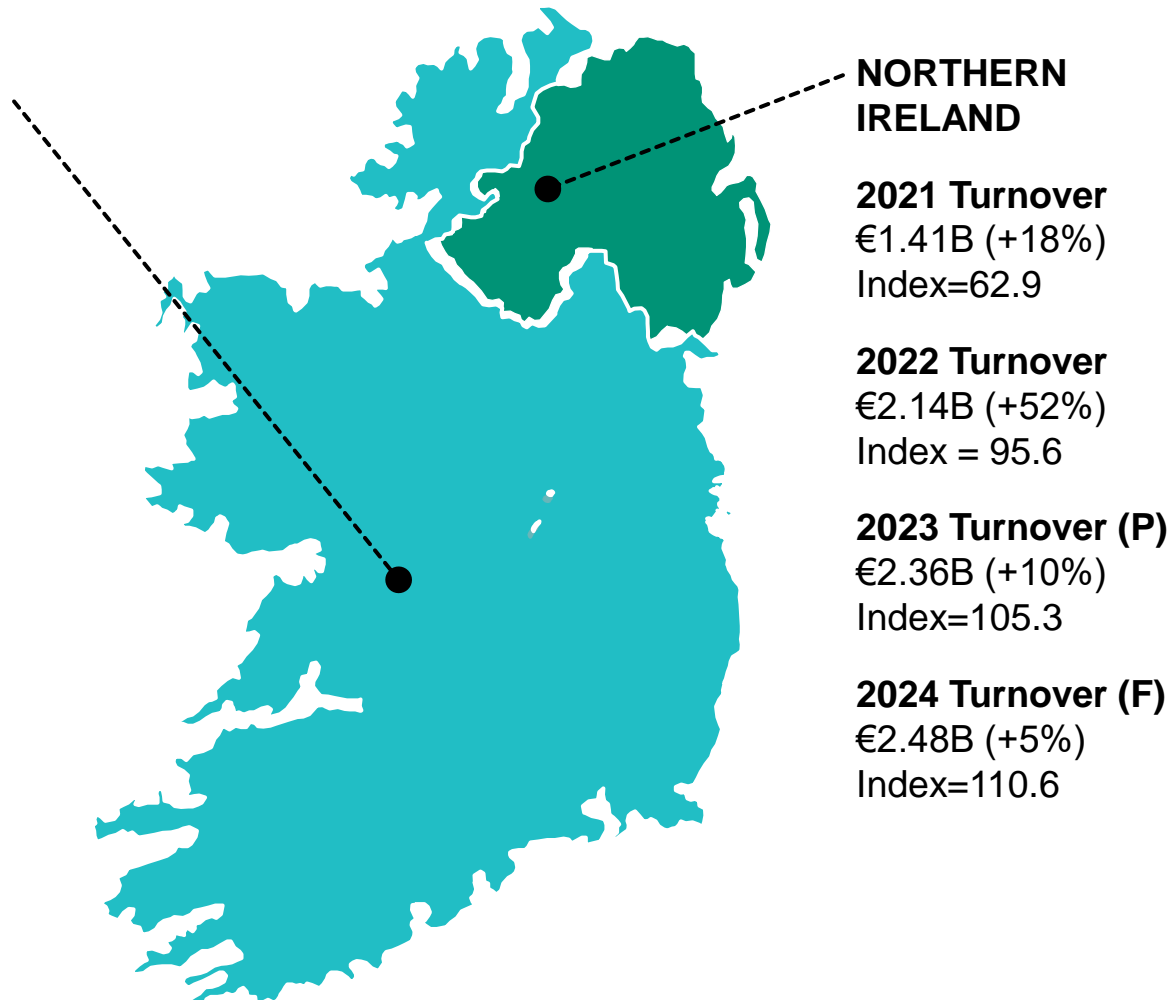


INDEX OF CONSUMER SPENDING SALES/VOLUME; INDEX 2019=100



P=preliminary; F=Forecasted
Source: Technomic, Bord Bia

2024 Foodservice Forecasts



The figures to the left show a summary of the size of the industry in both the Republic of Ireland and Northern Ireland going back to 2021 and forecasted through 2024.

As a reminder, Northern Ireland saw quicker recovery in 2021 as the UK government opened earlier (as shown by the Recovery Indices for each country), but the Republic saw stronger growth in 2022 and into 2023. Both markets have now fully recovered to – and surpassed – pre-pandemic levels, although the Republic is further along in its recovery and continues to grow faster than Northern Ireland.

Forecasts for both indicate that growth is expected to be approximately 5% in 2024.

Note, however, that these figures are shown in Euro; the performance of Northern Ireland in Sterling has been slightly higher than what is shown here, but growth rates are slightly lower when converted to Euro value.

Source: Bord Bia, Technomic

Note: Figures for previous years have in some instances been updated
Northern Ireland growth shown in Euro and includes currency conversion

Growth Outlook for 2024

With Comparisons to 2019

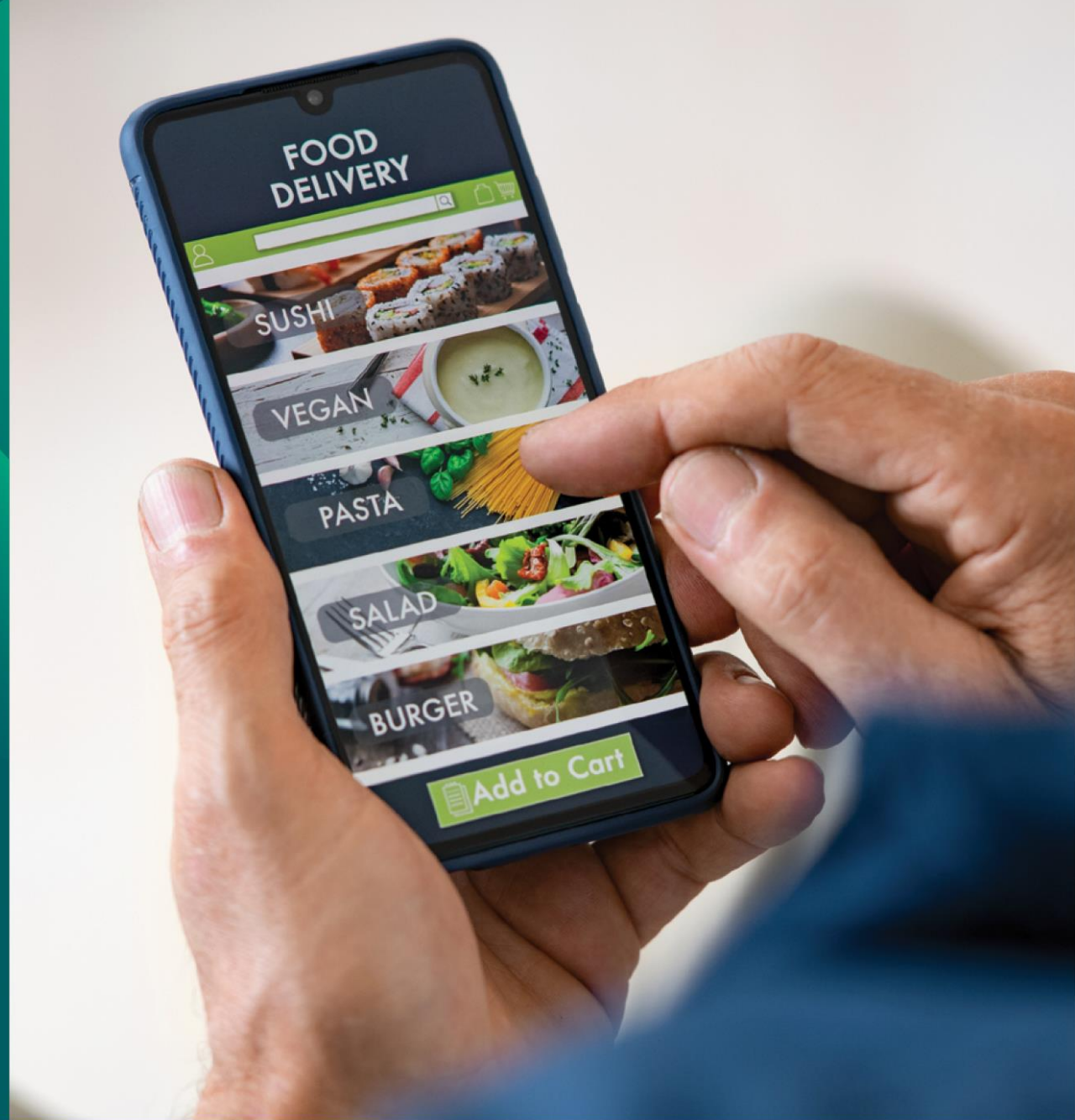
2024 Growth Outlook	All island of Ireland (IOI) Growth	IOI Index of Recovery (2019=100)	Republic of Ireland Growth in Turnover	ROI Index of Recovery (2019=100)	Northern Ireland Growth in Turnover (in Euro)	NI Index of Recovery (2019=100)
Limited Service	4.7%	120.1	4.9%	121.7	4.2%	115.2
<i>Quick Service</i>	4.6%	121.2	4.8%	123.2	4.0%	115.4
<i>Fast Casual</i>	5.4%	115.1	5.4%	116.7	5.4%	110.5
<i>Food to Go</i>	5.0%	117.0	5.0%	117.1	5.0%	116.3
Full Service	5.3%	116.5	5.3%	117.7	5.5%	113.7
Pubs	4.7%	111.0	4.6%	112.8	4.9%	106.0
Coffee Shops/Cafes	5.3%	114.6	5.4%	115.5	5.2%	111.9
Hotels & Accommodations	5.9%	108.6	5.8%	108.2	6.0%	110.1
Other Commercial	5.7%	118.3	5.6%	120.2	5.9%	111.4
All Commercial	5.1%	115.3	5.1%	116.5	5.0%	111.9
Business & Industry	9.3%	88.3	9.7%	89.9	8.1%	84.2
Education	4.6%	110.5	4.8%	112.0	4.1%	108.0
Healthcare	4.5%	111.0	4.5%	111.7	4.5%	109.8
All Other	4.3%	114.0	4.7%	115.5	3.1%	108.8
All Institutional	6.2%	101.3	6.7%	102.0	5.4%	99.8
Total Foodservice	5.2%	114.0	5.2%	115.3	5.0%	110.6

Source: Bord Bia, Technomic

Section Four

Additional Channel Information

BORD BIA
IRISH FOOD BOARD

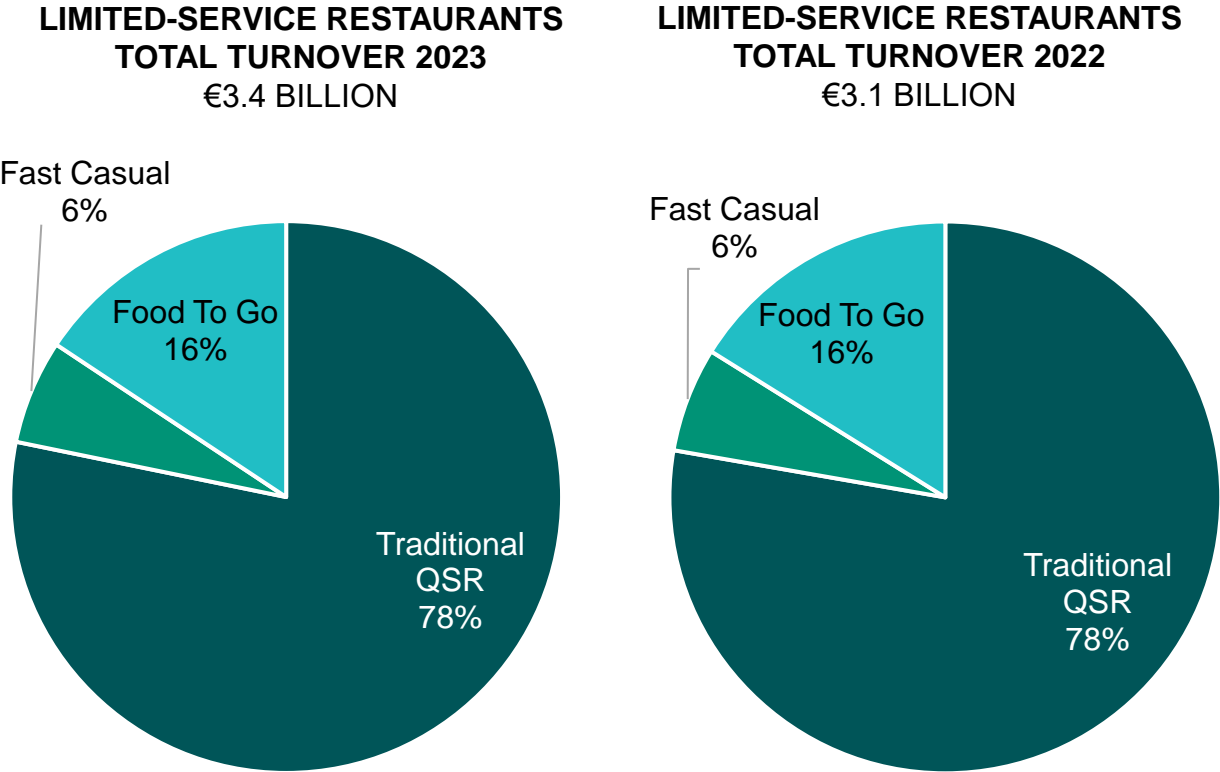


Commercial Sector Insights



Overview of Limited-Service Restaurants

2022-23 CHANGE: +10%
REVENUE CHANGE: €325 MILLION



The limited-service restaurant segment incorporates a number of subsegments, including traditional quick-service restaurants (QSR), fast-casual restaurants and food to go (which encompasses convenience-driven items for takeaway in forecourt/convenience operators and other grab-and-go products found in retail operations).

The total limited-service segment in 2023 is valued at €3.44 billion in consumer spending. This includes both spending in ROI and NI. This segment has grown by 10% in 2023, increasing by €325 million.

Traditional quick-service restaurants (QSRs) account for 78% of total consumer spending, consistent with last year's figure. Of all LSR sectors, QSR grew slightly faster than the other areas of this broader restaurant category.

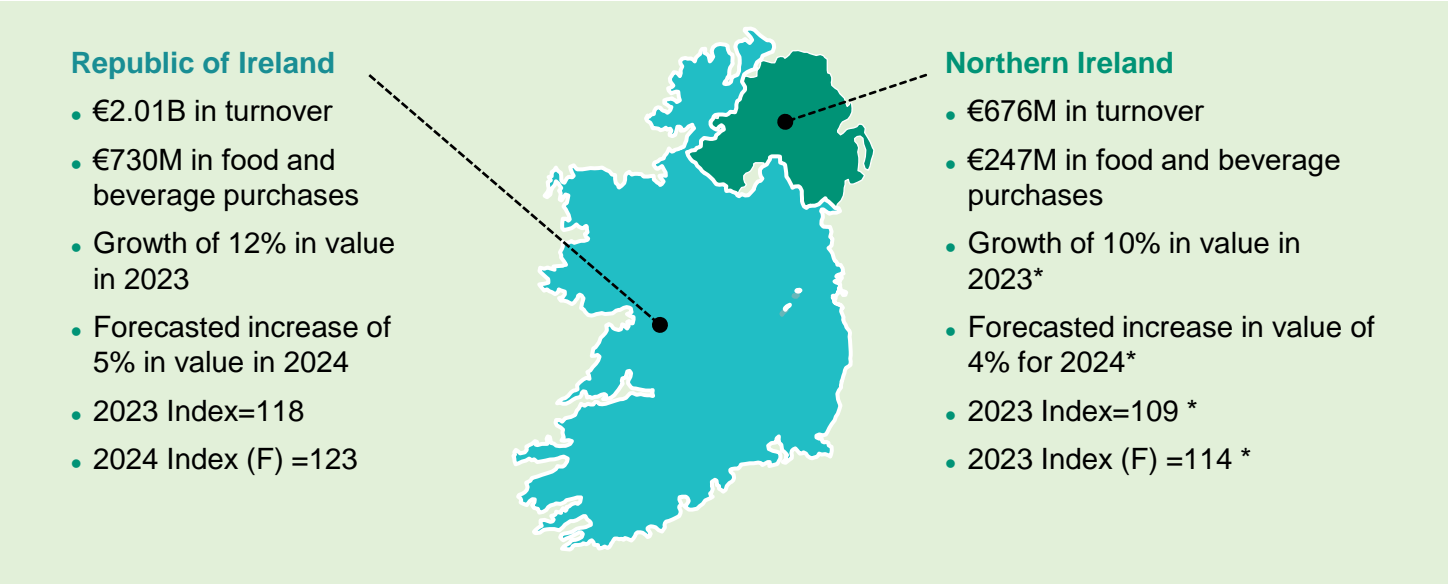
The food-to-go sector remains at 16% of the Limited Service segment. This sector remains relatively strong, although has had stronger pockets in suburban areas and motorways (and has remained a bit slower in city centres).

Finally, fast casual remains a relatively smaller part of the LSR segment and accounts for 6% of total sales.

The following pages show more detail on trends within each of the subsegments of limited service, as well as the differences in revenue and purchases between the Republic of Ireland and Northern Ireland.

Quick-Service Restaurants

2023 Analysis

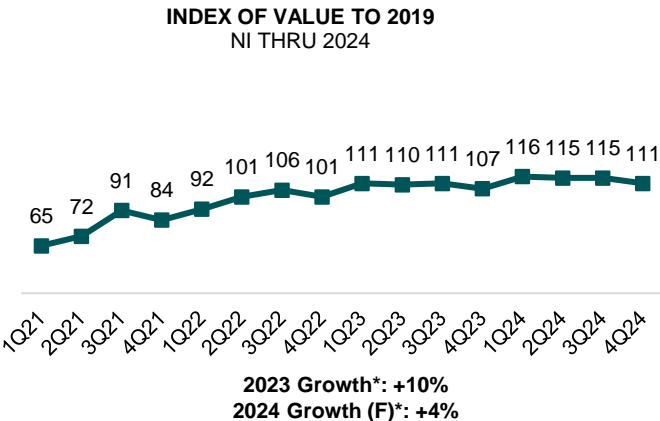
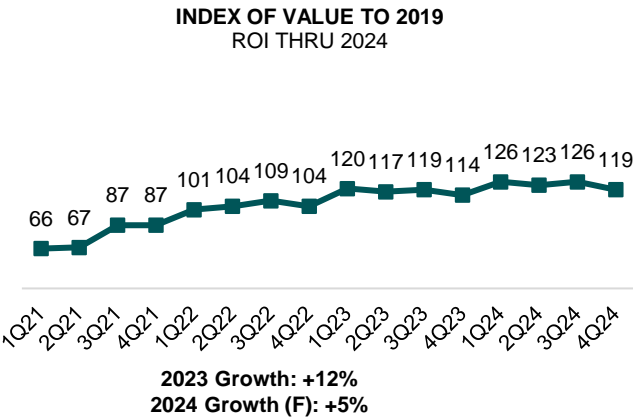


Segment Definition

- Traditional quick-service restaurants (QSRs) are the largest sector within the broader limited service channel. These operators are order-first operations that are generally characterised by offering counter service and/or drive-thrus.
- The figures included here count both chain operators and independent operators (including chippers and other small fast-food operations).

Key Trends

- Over the course of the past three years, QSR performance has been the most level of any segment – it outperformed during the pandemic, and since then has continued generally solid growth as the industry recovered. Of all parts of the industry, QSR has seen the best recovery of value compared to 2019.
- This sector’s focus on takeaway, delivery and (increasingly) drive-through positions it well. However, many note that the delivery area has started to decelerate.
- As a sector focused more on value offerings, it has maintained general traffic strength, but some parts of QSR as a result have not been able to fully pass on cost increases, and margins have eroded over the past 12-18 months.
- QSRs should perform well in 2023, particularly if economic conditions become more challenging for consumers. Operators here are focused on value offerings (despite higher costs) and are engineering menus to address price sensitivity among their customers.



* Growth and indices are based on value in Sterling, not a converted value to Euro
Source: Bord Bia, Technomic

Fast-Casual Restaurant

2023 Analysis

Republic of Ireland

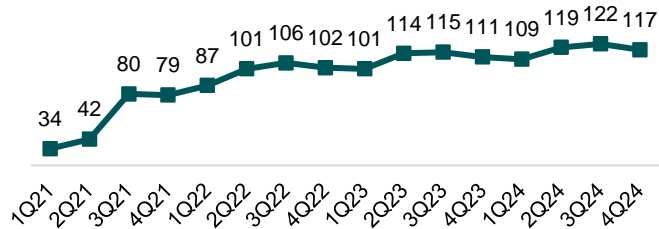
- €160M in turnover
- €58M in food and beverage purchases
- Growth of 12% in value in 2023
- Forecasted increase of 5% in value in 2024
- 2023 Index=111
- 2024 Index (F) =117

Northern Ireland

- €44M in turnover
- €19M in food and beverage purchases
- Growth of 9% in value in 2023*
- Forecasted increase in value of 5% for 2024*
- 2023 Index=104*
- 2024 Index (F) =109*

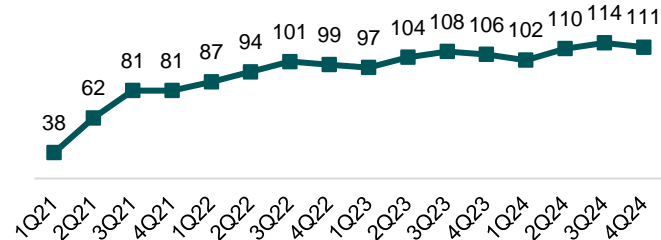


INDEX OF VALUE TO 2019
ROI THRU 2024



2023 Growth: +12%
2024 Growth (F): +5%

INDEX OF VALUE TO 2019
NI THRU 2024



2023 Growth*: +9%
2024 Growth (F)*: +5%

*Growth and indices are based on value in Sterling, not a converted value to Euro
Source: Bord Bia, Technomic

Segment Definition

- Fast casual restaurants (FCRs) are considered limited service, but are generally more upscale, investing more in the design and ambiance of the operation. It is a pay-first service system with limited or no tableside service.
- Food quality is generally perceived to be higher, and the price points tend to be €12-14 or higher per person (although there is some blurring between FC and QSR as inflation impacts overall menu prices.)
- Similar to traditional QSRs, fast-casual restaurants are often systemised with limited, focused menus.

Key Trends

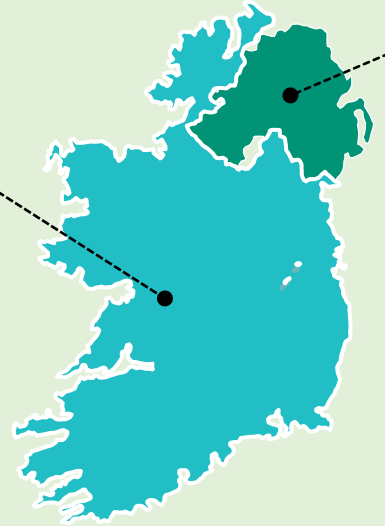
- Fast casual is more oriented toward urban centres as well as suburban areas, with many locations located on the high street. As a result, fast casual tends to have a closer correlation to city footfall trends, which over the course of 2023 has seen strong growth (but is not fully back to pre-pandemic levels, particularly on certain days of the week such as Monday and Friday.)
- These operators have seen growth in 2023, but the overall recovery of this sector lags versus QSR. Suburban locations are outperforming, however.
- In general, takeaway remains a critical part of these operators growth plans. Delivery has slowed a bit but has been offset by some return to the dine-in occasion.

Food-To-Go

2023 Analysis

Republic of Ireland

- €456M in turnover
- €156M in food and beverage purchases
- Growth of 8% in value in 2023
- Forecasted increase of 5% in value in 2024
- 2023 Index=112
- 2024 Index (F) =117



Northern Ireland

- €83M in turnover
- €29M in food and beverage purchases
- Growth of 7% in value in 2023*.
- Forecasted increase in value of 5% for 2024.
- 2023 Index=110*
- 2024 Index (F) =115*

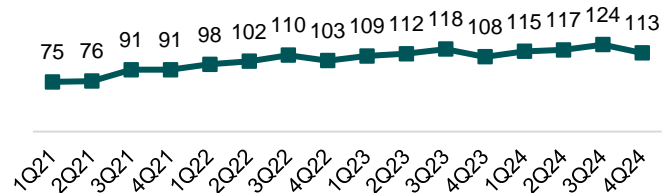
Segment Definition

The food-to-go (FTG) segment includes convenience stores, supermarket prepared foods and petrol stations with forecourt convenience stores. The definition of this sector excludes QSR brands found in these establishments (sales from those locations are included in the QSR definition.)

Key Trends

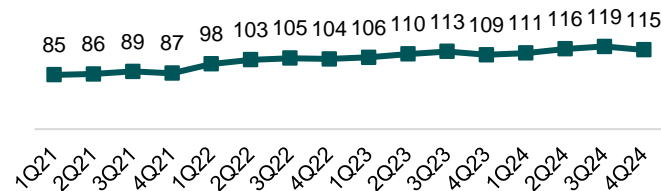
- These operators are largely driven by the commute – either motorway locations, quick stops during the workday, or convenience-driven meals (largely breakfast and lunch.) The return to office has regained some momentum in 2023, which has helped overall value growth here. Areas within tourist areas did not see growth as strong as expected, however.
- Motorways in particular are outperforming; these locations capture both business and leisure travelers in transit. City centre locations, particularly those without fuel options, are seeing variable performance based on the day of the week. While this sector has generally seen very strong performance and is ahead of 2019 levels, there remain some differences by location. There are still city centre locations that are not yet fully recovered, and certain other locations co-located with other retailers have either closed or are also seeing lower footfall.
- Investment in coffee programmes and overall improvement in the in-store experience have been key initiatives; labour challenges remain, leading to automation and better recruitment/retention schemes.

INDEX OF VALUE TO 2019
ROI THRU 2024



2023 Growth: +8%
2024 Growth (F): +5%

INDEX OF VALUE TO 2019
NI THRU 2024



2022 Growth*: +7%
2024 Growth (F)*: +5%

*Growth and indices are based on value in Sterling, not a converted value to Euro
Source: Bord Bia, Technomic

Full-Service Restaurants

2023 Analysis

Republic of Ireland

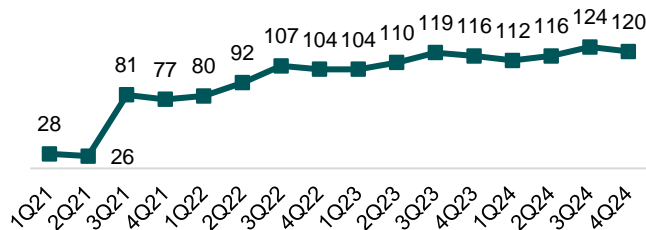
- €813M in turnover
- €286M in food and beverage purchases
- Growth of 17% in value in 2023
- Forecasted increase of 5% in value in 2024
- 2023 Index=112
- 2024 Index(F) =118



Northern Ireland

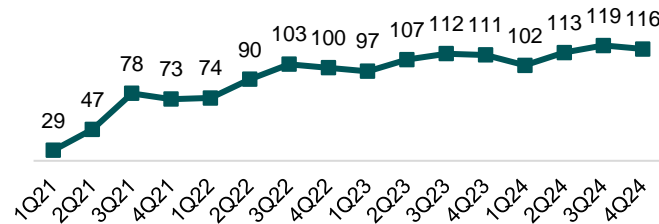
- €338M in turnover
- €119M in food and beverage purchases
- Growth of 16% in value in 2023*
- Forecasted increase in value of 6% for 2024*
- 2023 Index=107*
- 2024 Index (F) =112*

INDEX OF VALUE TO 2019
ROI THRU 2024



2023 Growth: +17%
2024 Growth (F): +5%

INDEX OF VALUE TO 2019
NI THRU 2024



2023 Growth*: +16%
2024 Growth (F)*: +6%

*Growth and indices are based on value in Sterling, not a converted value to Euro
Source: Bord Bia, Technomic

Segment Definition

- Full-service restaurants (FSRs) generally focus on serving lunch or dinner, although some may also be involved with breakfast. Sub-channels include both casual dining and white-tablecloth restaurants.
- Menus offer a complete range of items often using fresh ingredients—starters, soups, main courses and desserts. Meals are often accompanied by a wine or beverage list.

Key Trends

- Full-service restaurants saw ongoing strong demand throughout most of 2023, although demand has reportedly begun to flatten entering the Autumn months.
- Price increases have been a major driver for increases in value; this is also a significant reason for a potential slowdown going forward. The increase in 2023 of the VAT from the pandemic-era 9% back to 13.5% has also caused higher prices to consumers.
- Although menu price increases have been occurring throughout the year, overall margins for most restaurant operators have been compressed. Operators have been unable to keep pace with the rapid increase in costs – not only food, but labour, energy, and other fees. Menu engineering to reduce overall costs have been ongoing as a result throughout the year.
- Industry expects a strong Christmas and “decent” end to the year, but all indications are that 2024 will slow significantly.

Pubs

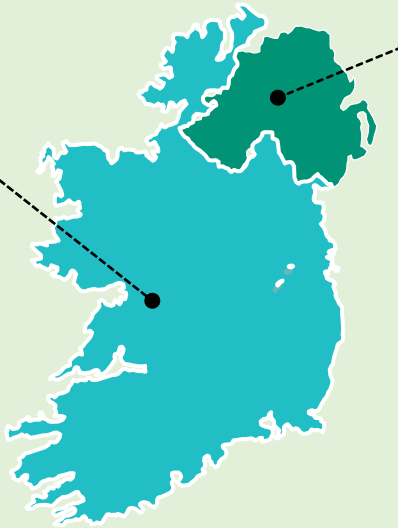
2023 Analysis

Republic of Ireland

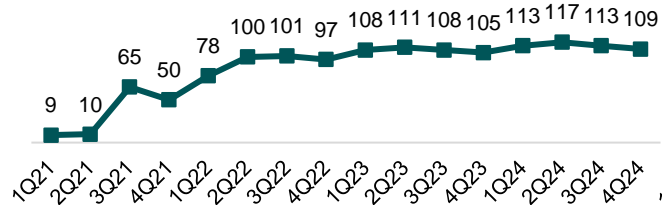
- €1.12B in turnover
- €380M in food and beverage purchases
- Growth of 14% in value in 2023
- Forecasted increase of 5% in value in 2024
- 2023 Index=108
- 2024 Index (F) =113

Northern Ireland

- €382M in turnover
- €130M in food and beverage purchases
- Growth of 15% in value in 2023*
- Forecasted increase in value of 5% for 2024*
- 2023 Index=101*
- 2024 Index (F) =106*

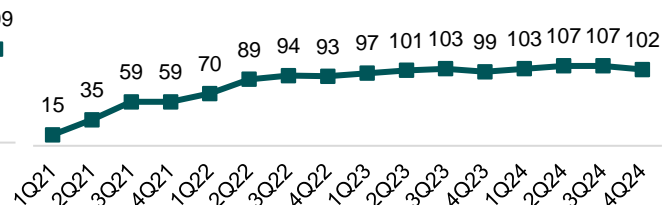


INDEX OF VALUE TO 2019
ROI THRU 2024



2023 Growth: +14%
2024 Growth (F): +5%

INDEX OF VALUE TO 2019
NI THRU 2024



2023 Growth: +15%
2024 Growth (F): +5%

Segment Definition

- Licensed pubs includes drinking establishments that are outlets built specifically for (and largely dependent on) the sale of alcohol for on premise consumption.
- Pubs are characterised by a bar service and are often seen as social meeting places, rather than a place of pure consumption.

Note that these figures are for food and non-alcohol beverages only.

Key Trends

- Publicans report a generally strong year, with some slowdown starting to occur in the Autumn. Overall revenue increases have been driven by significant price increases.
- While energy bills have subsided from last year's levels, they are still much higher than pre-pandemic, and publicans have been challenged by rising costs here – along with ongoing difficulties in finding labour.
- Dublin-based publicans have seen stronger growth on the heels of the return of events and tourism. Outlying areas were more mixed, with tourism numbers less robust in certain areas where hotel bedrooms were committed to Ukrainian refugees, and in areas where weather hindered better conditions for travel.
- For 2024, the concern is how long consumers will be willing to pay the significantly higher prices that have been passed along, but throughout most of this year, consumers have seemed content in paying a premium for a pub experience.

*Growth and indices are based on value in Sterling, not a converted value to Euro
Source: Bord Bia, Technomic

Coffee Shops/Cafes

2023 Analysis

Republic of Ireland

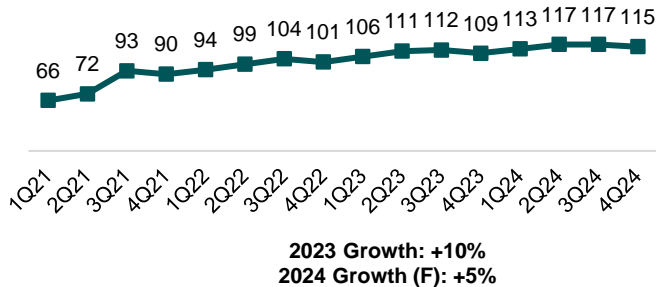
- €397M in turnover
- €111M in food and beverage purchases
- Growth of 10% in value in 2023
- Forecasted increase of 5% in value in 2024
- 2023 Index=110
- 2023 Index (F) =116



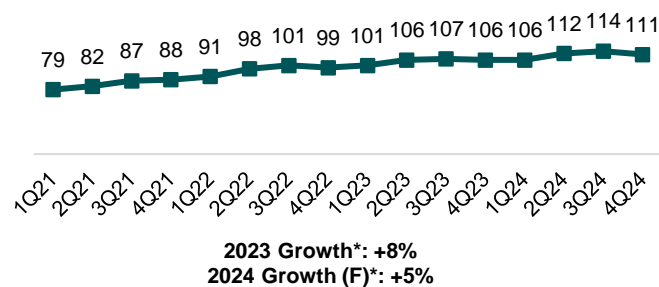
Northern Ireland

- €128M in turnover
- €36M in food and beverage purchases
- Growth of 8% in value in 2023*
- Forecasted increase in value of 5% for 2024*
- 2023 Index=106*
- 2024 Index (F) =112*

INDEX OF VALUE TO 2019
ROI THRU 2024



INDEX OF VALUE TO 2019
NI THROUGH 2024



Segment Definition

- Coffee shops and cafes are quick service restaurants without table service that emphasise coffee and other hot beverages. Typically, there is also a limited selection of cold and hot foods such as pastries, sandwiches and breakfast items on offer.
- Their distinguishing feature is that they allow customers to relax, work and socialise on their premises for long periods of time, without the pressure to leave promptly after eating.

Key Trends

- Coffee shops, particularly in urban centres, continue to be adversely impacted by the slow return to office. As a result, many are shifting strategies to focus on growth in suburbs.
- While hot beverages remain the staple, cold beverages – and especially cold coffee, but also milkshakes and lemonade – are growing at an outsized pace.
- Staffing remains a key concern and has been impacting opening hours.
- Some concern about the “latte levy” and its impact on consumers. Overall keep cup uptake has been slow, and prices have already increased dramatically in 2023 and haven’t kept pace with input prices. Many operators are worried about the impact of additional price increase.
- Operators generally believe that they’ve return to a more normal growth trajectory and are expected only moderate like-for-like increases next year.

*Growth and indices are based on value in Sterling, not a converted value to Euro
Source: Bord Bia, Technomic

Hotels & Accommodations

2023 Analysis

Republic of Ireland

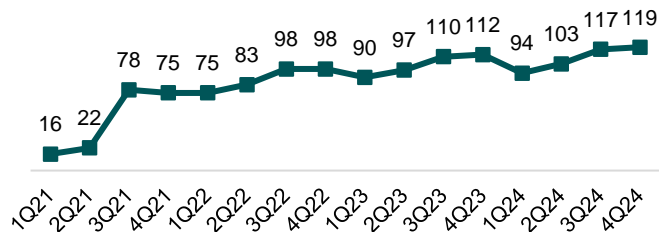
- €1.18B in turnover
- €416M in food and beverage purchases
- Growth of 16% in value in 2023
- Forecasted increase of 6% in value in 2024
- 2023 Index=102
- 2024 Index (F) =108

Northern Ireland

- €389M in turnover
- €138M in food and beverage purchases
- Growth of 18% in value in 2023*
- Forecasted increase in value of 6% for 2024*
- 2023 Index=104*
- 2024 Index (F) =110*

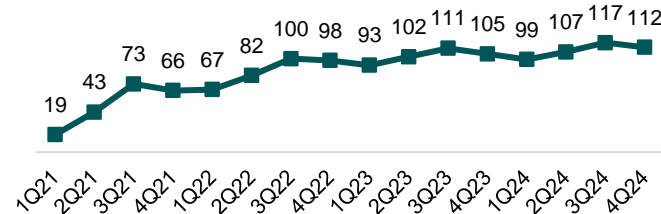


INDEX OF VALUE TO 2019
ROI THRU 2024



2023 Growth: +86%
2024 Growth (F): +17%

INDEX OF VALUE TO 2019
NI THRU 2024



2023 Growth*: +73%
2024 Growth (F)*: +18%

Segment Definition

- This sector is defined by food and beverage offerings in the hotels and accommodations channel. It includes breakfast programmes, in-room dining, banquets and events, and other prepared food and beverage offered throughout the property.
- Other accommodation forms such as guest houses are included, but only where they are large enough (10 rooms or more) and these are few in number. This definition excludes B&Bs as well.

Key Trends

- The biggest challenge with overall hotel food and beverage in ROI has been the reduction in available bedrooms as a result of providing accommodation for Ukrainian refugees, which has affected roughly 10-15% of bedroom stock. This has been somewhat unevenly distributed, causing variations by region within the Republic. While the people temporarily living in hotels are being served foodservice, it has been at a lower cost and has caused hotels to stay steady in overall food sales.
- Outside of this, overall occupancy in rooms and hotels still available has been extremely strong. However, food sales have not kept pace with broader revenue increases from bedrooms; consumers seem to be a bit less likely to take up breakfast (attributed by some to the extreme price increases in room rates) and those consumers are often more likely to find food outside the hotel and not in the hotel restaurant or bar
- While some growth is expected next year, it is unclear when the Ukrainian refugee crisis will be resolved, and there may be a longer term reduction in available rooms. Northern Ireland tourism has been relatively strong and some growth is expected to continue there as well.

*Growth and indices are based on value in Sterling, not a converted value to Euro
Source: Bord Bia, Technomic

Other Commercial Operations

2023 Analysis

Republic of Ireland

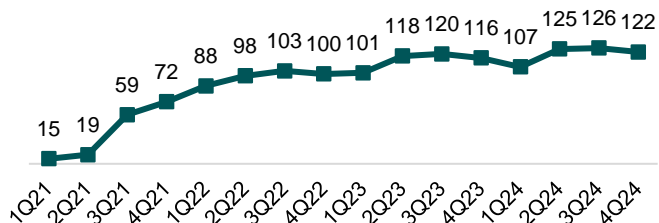
- €294M in turnover
- €104M in food and beverage purchases
- Growth of 17% in value in 2023
- Forecasted increase of 6% in value in 2024
- 2023 Index=114
- 2024 Index (F) =120

Northern Ireland

- €76M in turnover
- €27M in food and beverage purchases
- Growth of 13% in value in 2023*
- Forecasted increase in value of 6% for 2024*
- 2023 Index=105*
- 2024 Index (F) =111*

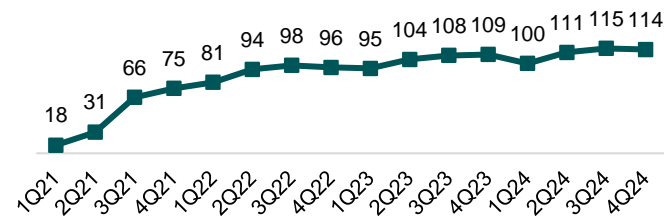


INDEX OF VALUE TO 2019
ROI THRU 2024



2023 Growth: +17%
2024 Growth (F): +6%

INDEX OF VALUE TO 2019
NI THRU 2024



2023 Growth*: +13%
2024 Growth (F)*: +6%

Segment Definition

- This channel is diverse and comprises cinemas, theme parks, golf courses, tourist attractions, sport venues and clubs, spas, event catering, recreational activities and cruises.
- The largest subchannel is represented by sporting events; the other key subsegment is the travel channel which includes on-board and terminus catering for flights, trains, ferries and buses.

Key Trends

- This sector is highly dependent on travel/tourism and on consumers willingness to spend on discretionary events/ experiences. With the return of concerts and sporting events, particularly in Dublin, this sector has been one of the best performing areas of the foodservice industry.
- In particular, North American tourists have rebounded very strongly, while other nationalities have been slower to return. Irish “staycations” were also below average this year as many seemed to take advantage of opportunities to travel outside Ireland.
- Sustainability initiatives have become critical for many sporting and entertainment events; many of the sponsored events have significant carbon reduction targets that need to be addressed within this sector.

*Growth and indices are based on value in Sterling, not a converted value to Euro
Source: Bord Bia, Technomic

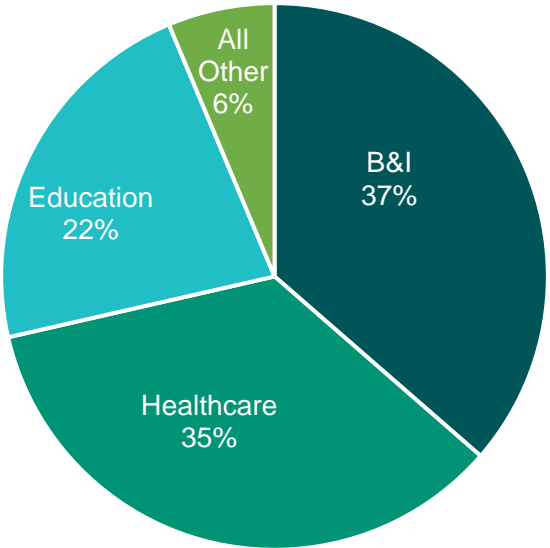
Institutional Sector Insights



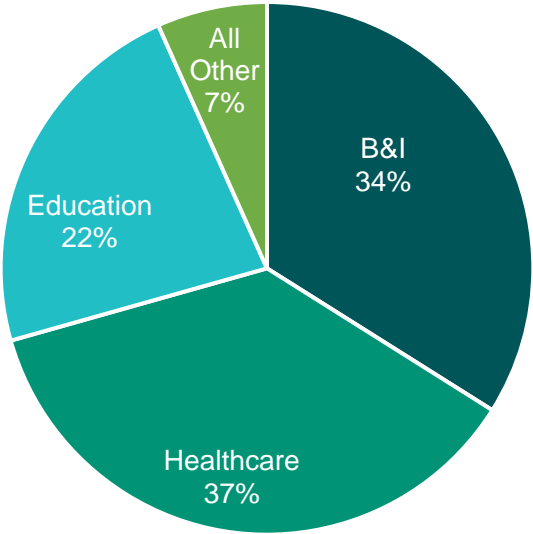
Overview of Institutional Foodservice

2022-23 CHANGE: +11%
REVENUE CHANGE: €71 MILLION

INSTITUTIONAL FOODSERVICE
TOTAL TURNOVER 2023
€728 MILLION



INSTITUTIONAL FOODSERVICE
TOTAL TURNOVER 2022
€657 MILLION



The institutional side of the foodservice industry (sometimes also referred to as non-commercial foodservice) includes food offered as a service in businesses or institutions, where providing food is not the primary focus of the organisation.

It includes food and beverage sold/offered in canteens and other parts of the institution and incorporates a number of subsegments, including traditional business and industry (B&I) – both blue collar and white collar – as well as healthcare, education and all other institutions (which encompasses mostly government-run facilities for defence and prisons).

The total institutional segment in 2023 is valued at €728 million in consumer spending. This includes both spending in ROI and NI, with spending in the North converted back to Euros.

The value of this segment increased by 11% in 2023; there has been bounce back in the business & industry segment (although this sector is the only one not full recovered to 2019 levels), while consumer spending and value in other areas have returned to a more normal growth cadence.

Business & Industry

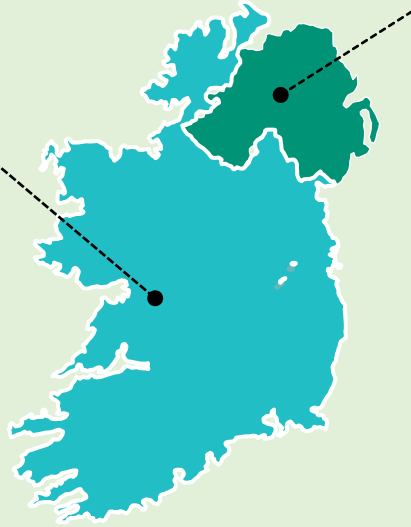
2023 Analysis

Republic of Ireland

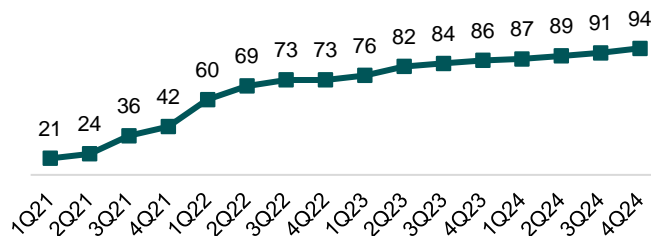
- €194M in turnover
- €99M in food and beverage purchases
- Growth of 19% in value in 2023
- Forecasted increase of 10% in value in 2024
- 2023 Index=82
- 2024 Index (F) =90

Northern Ireland

- €71M in turnover
- €36M in food and beverage purchases
- Growth of 21% in value in 2023*
- Forecasted increase in value of 8% for 2024*
- 2023 Index=78*
- 2024 Index (F) =84*

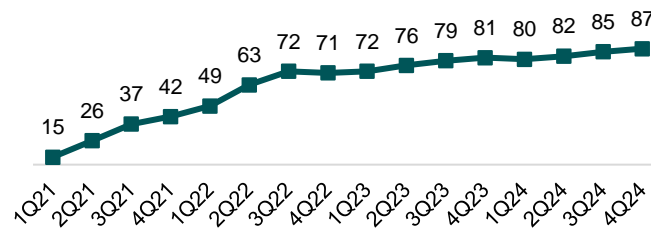


INDEX OF VALUE TO 2019
ROI THRU 2024



2023 Growth: +19%
2024 Growth (F): +10%

INDEX OF VALUE TO 2019
NI THRU 2024



2023 Growth*: +21%
2024 Growth (F)*: +8%

*Growth and indices are based on value in Sterling, not a converted value to Euro
Source: Bord Bia, Technomic

Segment Definition

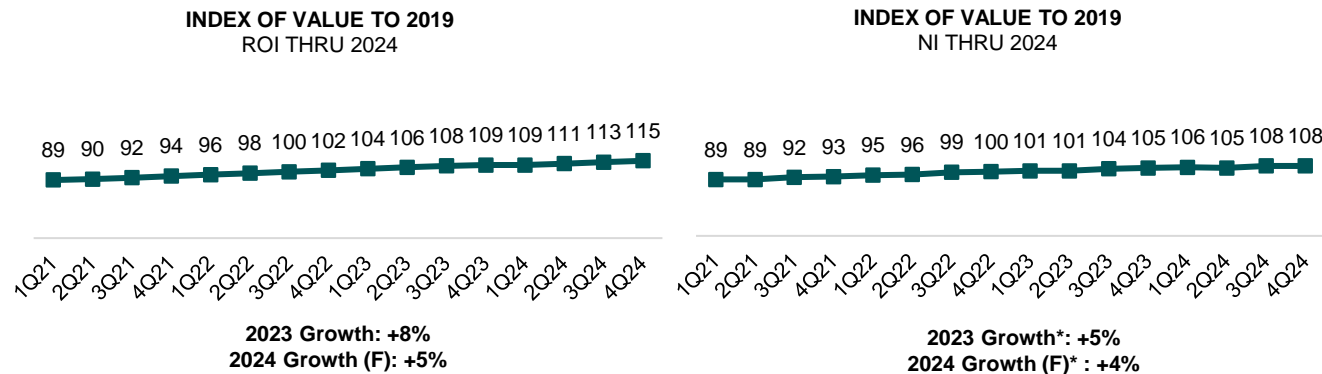
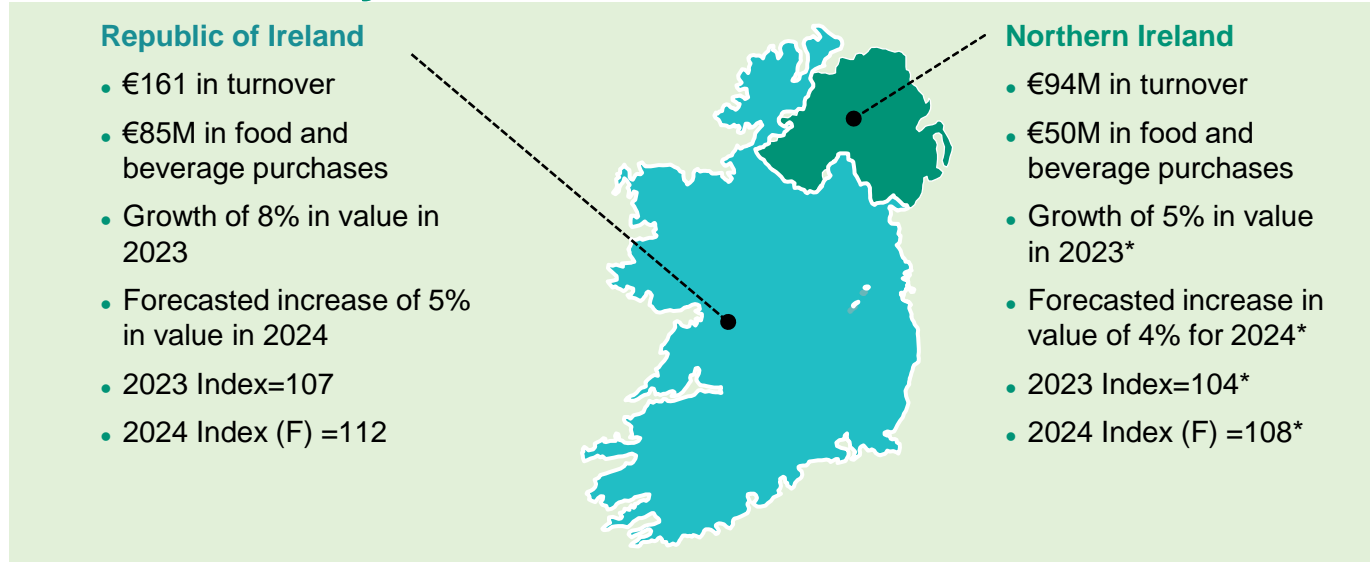
- Business and Industry is defined as catering to the workforce and includes food offered within offices, factories and remote sites.
- Menus are generally offered in three formats: fixed menus (mostly in factories), self-service menus offering choice (mainly in office catering units and canteens/cafeterias) and grab-and-go or vending operations offering predominantly beverages, adjacent to their place of work.

Key Trends

- Most operators report that white collar offices have returned to a large degree, although it's often 2-3 days per week and generally not for a full 5 day workweek. Still, this broader return to office has led to growth in the business feeder space. Food has become a drive to encourage people into the office. On many mid-week days, most business feeders are generally surpassing pre-pandemic sales levels.
- Conversely, blue collar locations – distribution depots, logistics hubs, production facilities and the like – have remained strong and have continued to surpass pre-pandemic turnover levels.
- Given significant cost increases, many contract caterers are reportedly working to “de-risk” contracts, creating more cost-plus contracts and working on a management fee at specific locations.
- Business clients often have public sustainability goals, and this sector has seen the most activity in terms of a focus on sustainability. Carbon neutral menus, a shift away from packaging and food waste are all key initiatives in this sector.
- With a longer recovery period in this sector, larger catering companies are focused on comprehensive solutions to bring to client site, which may encompass facilities management, uniforms or other ways to diversify its business.

Healthcare Foodservice

2023 Analysis



Segment Definition

- Hospitals are institutions that serve and feed patients undergoing medical care, their guests and the staff. As a result this sector encompasses a wide variety of services to deliver food to its customers, including patient feeding, cafeterias, kiosks and catered events.
- This segment includes hospitals, rehab clinics and retirement homes. It is further subclassified into private or public hospitals which, depending on the rating, will offer different culinary experiences.

Key Trends

- Given that much of this is based on residential feeding (particularly in long-term care and senior living), the growth in healthcare held up during the past several years but as a result is also not growing particularly fast. For many contract caterers that have hospital accounts, these have been slow to return as tables and chairs within feeding areas were only recently re-introduced.
- Within hospitals, there is a concerted effort to “bring the high street” into the lobby by creating branded coffee programs and attempting to upgrade the offer.
- Care homes have seen consolidation and an entry into Ireland of international ownership groups.

* Growth and indices are based on value in Sterling, not a converted value to Euro
Source: Bord Bia, Technomic

Education Foodservice

2023 Analysis

Republic of Ireland

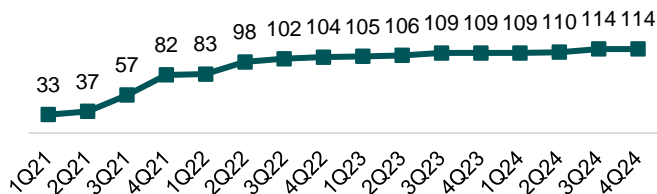
- €102M in turnover
- €50M in food and beverage purchases
- Growth of 12% in value in 2023
- Forecasted increase of 5% in value in 2024
- 2023 Index=107
- 2024 Index (F) =112



Northern Ireland

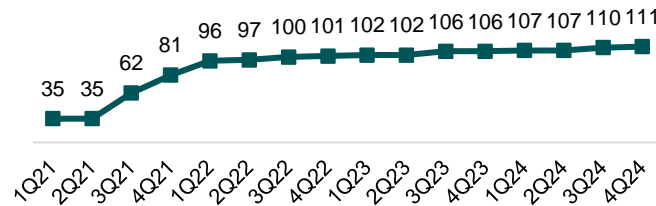
- €60M in turnover
- €30M in food and beverage purchases
- Growth of 6% in value in 2023*
- Forecasted increase in value of 5% for 2024*
- 2023 Index=105*
- 2024 Index (F) =110*

INDEX OF VALUE TO 2019
ROI THRU 2024



2023 Growth: +12%
2024 Growth (F): +5%

INDEX OF VALUE TO 2019
NI THRU 2024



2023 Growth*: +6%
2024 Growth (F)* : +5%

Segment Definition

- Primary schools, secondary schools and universities make up the three key operator segments of the Education sector.
- These operators are in the business of providing food and beverage services to students and faculty in their place of learning. Menus are generally offered in two main formats: fixed menus, or cafeteria/self-service, although a la carte operations are also included.
- The channel covers state, religious, and privately funded and owned institutions.

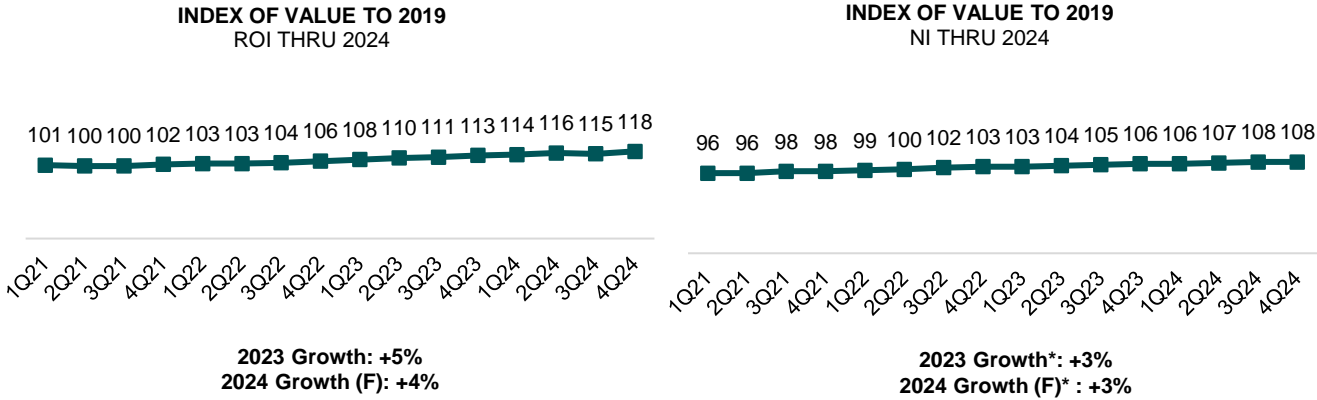
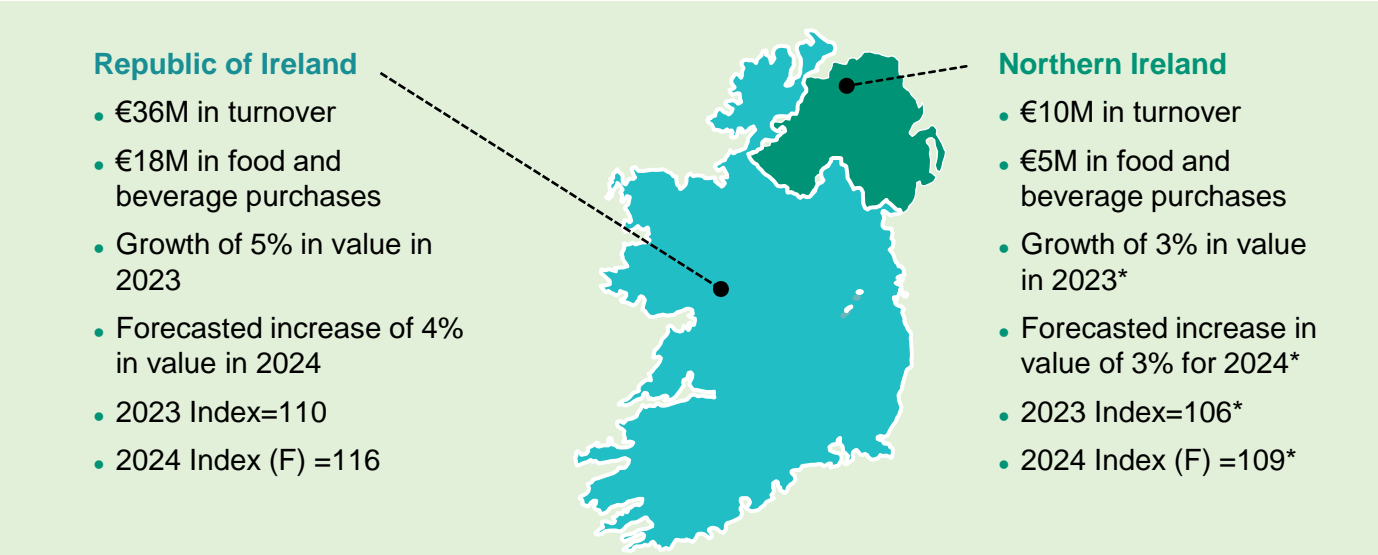
Key Trends

- The 2022-23 school year marks the first year of full normality since the pandemic, and 2023-24 shows a continuation of what has returned as a mature part of the foodservice industry.
- Labour challenges remain highlighted, which has impacted the return of some university campus foodservice outlets.
- While students are largely back, some operators note that traffic patterns are still softer than pre-pandemic and have noted that not all staff/administration is back on campus full-time.
- Growth patterns should follow a more normal trajectory going forward and will be largely based on changes in the enrollment of university students. As with most other sectors, higher inflation will have an impact on the spending within education.

* Growth and indices are based on value in Sterling, not a converted value to Euro
Source: Bord Bia, Technomic

Other Institutional Operations

2023 Analysis



Segment Definition

- This channel includes government organisations, notably prisons and armed forces (military messes, in-field canteens and soup kitchens).

Key Trends

- These types of operations are generally immune from broader consumer trends.
- Most of this sector has been unaffected by the various growth (and headwinds) that have impacted much of the rest of the industry. Overall volumes tend to remain much steadier than other sectors.
- Operators in these sectors tend to be extremely cost-oriented; the key issue that has impacted them is the ongoing higher rate of inflation and cost increases, which affects purchasing behaviour and their ability to adequately fulfill their mandate for feeding their populations. Growth here tends to be lower than other sectors given their extreme focus on cost control and menu engineering that produces low cost menu items.
- Since there are not menu prices *per se* that get passed on to this customer base, any cost increase impacts the overall profitability of the operation, and with the low growth seen here, much of the inflation has impacted overall margin and profitability.

* Growth and indices are based on value in Sterling, not a converted value to Euro
Source: Bord Bia, Technomic

Section Five

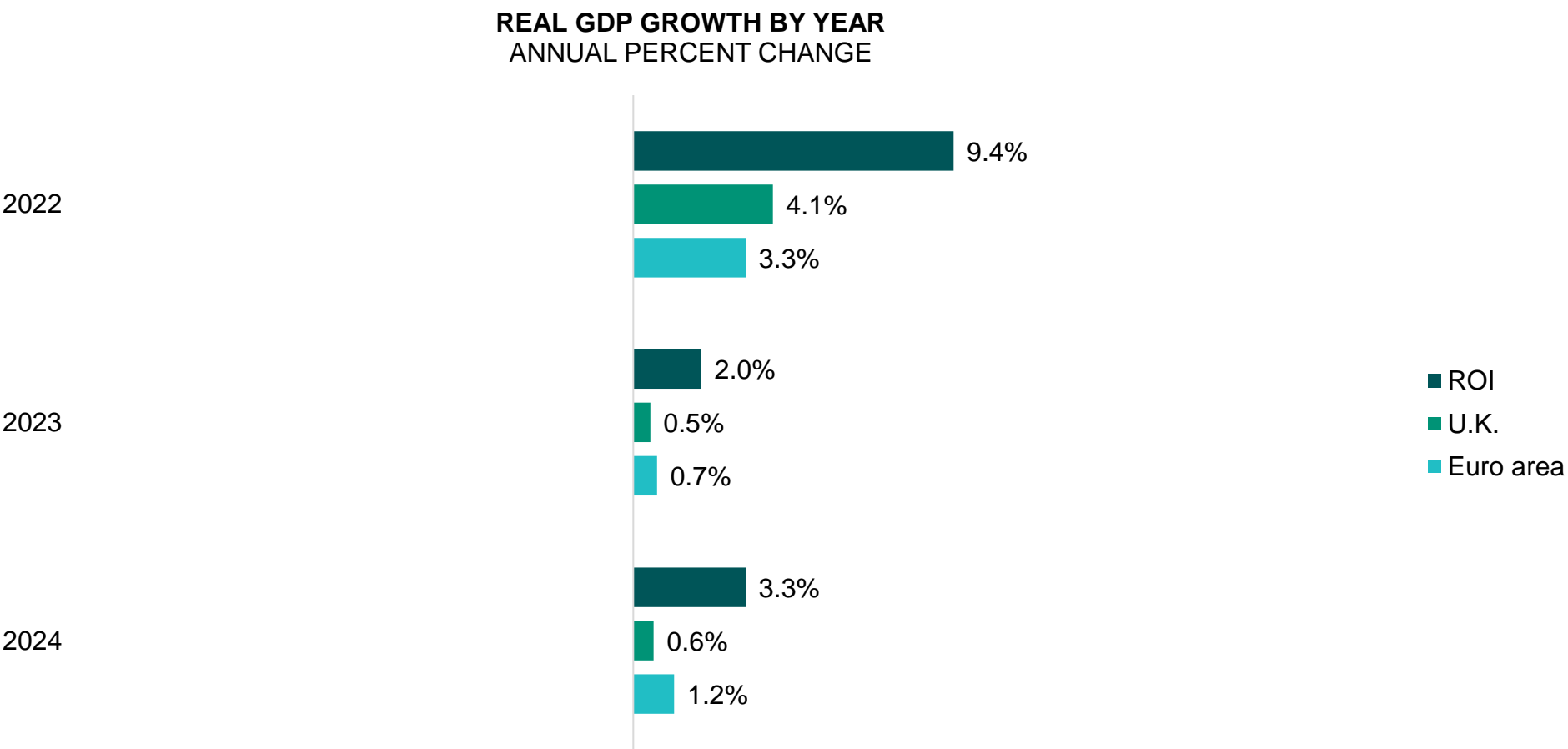
Appendix with Additional Information

BORD BIA
IRISH FOOD BOARD



Growth Rates of Gross Domestic Product

ROI, UK and Eurozone Growth, 2022-2024

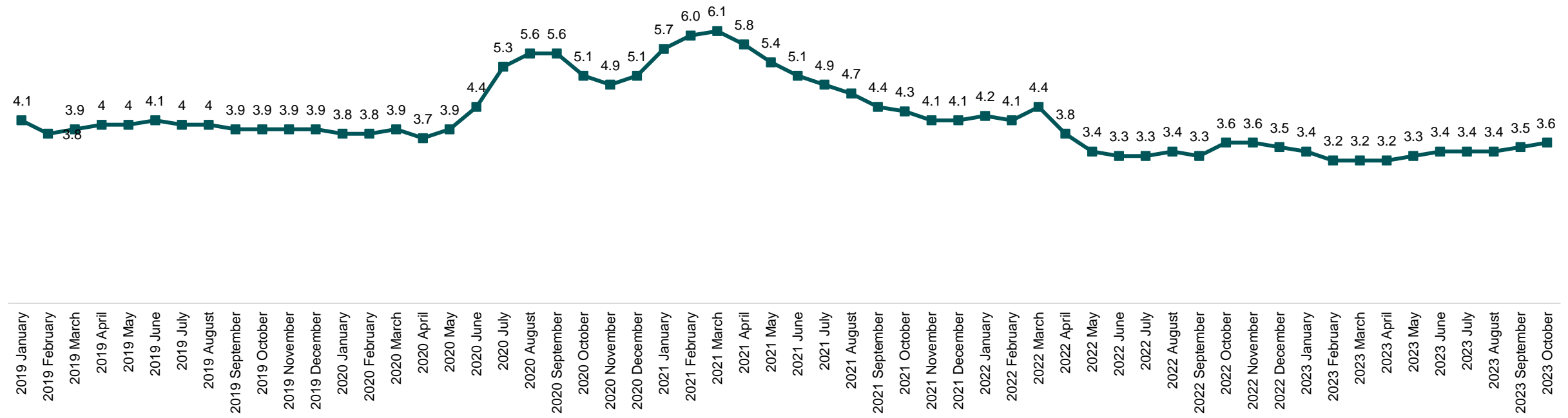


Source: IMF, World Economic Outlook Report, October 2023

ROI Unemployment Rate

January 2019 through October 2023

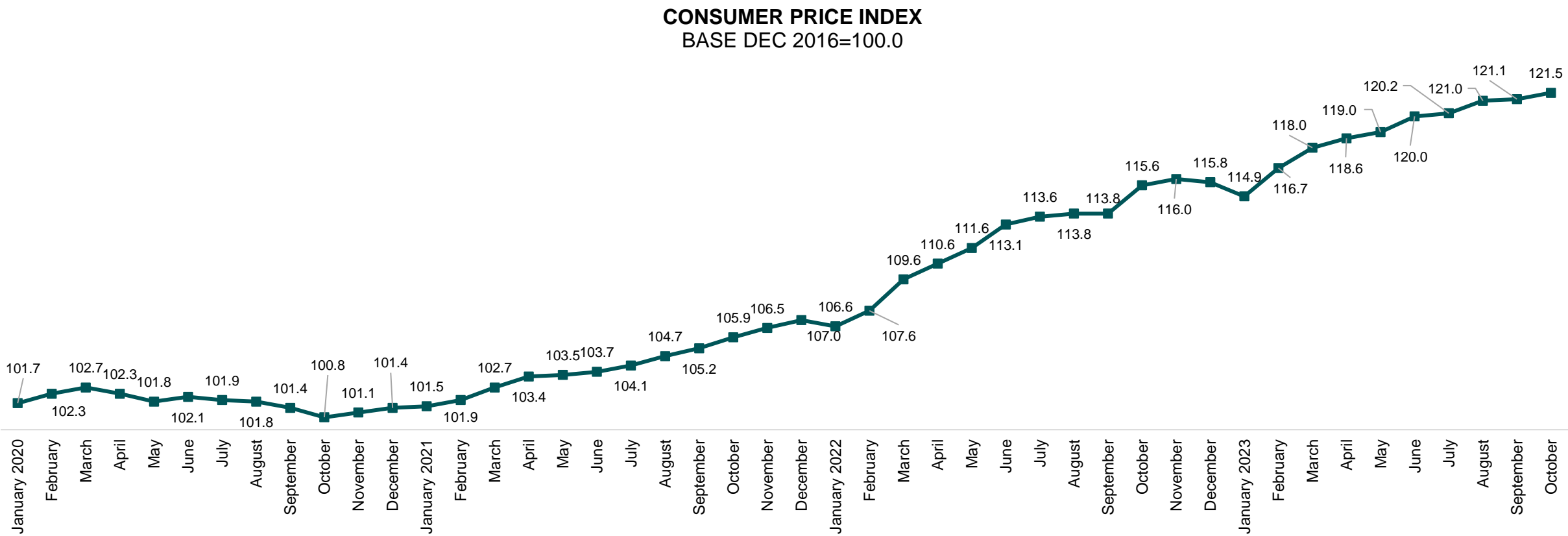
SEASONALLY ADJUSTED UNEMPLOYMENT RATE (%)
15-74 YEARS



Source: Central Statistics Office

Consumer Price Index, ROI

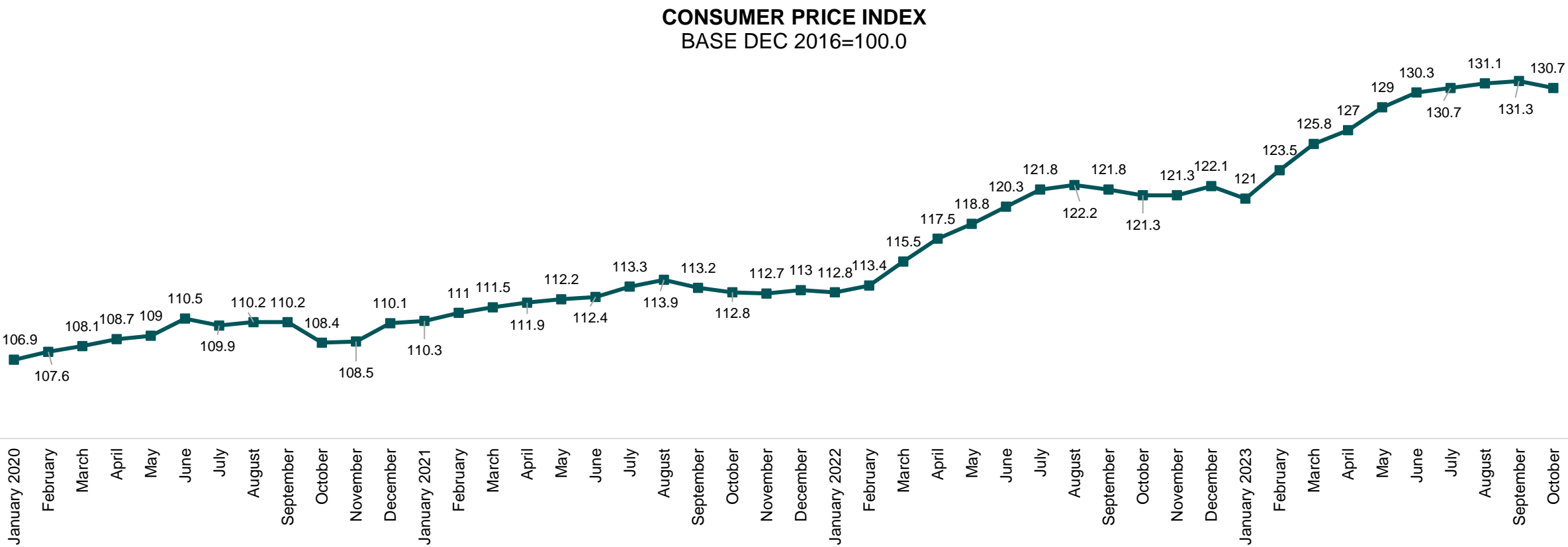
All Items



Base: 100=December 2016
Source: Central Statistics Office

Consumer Price Index

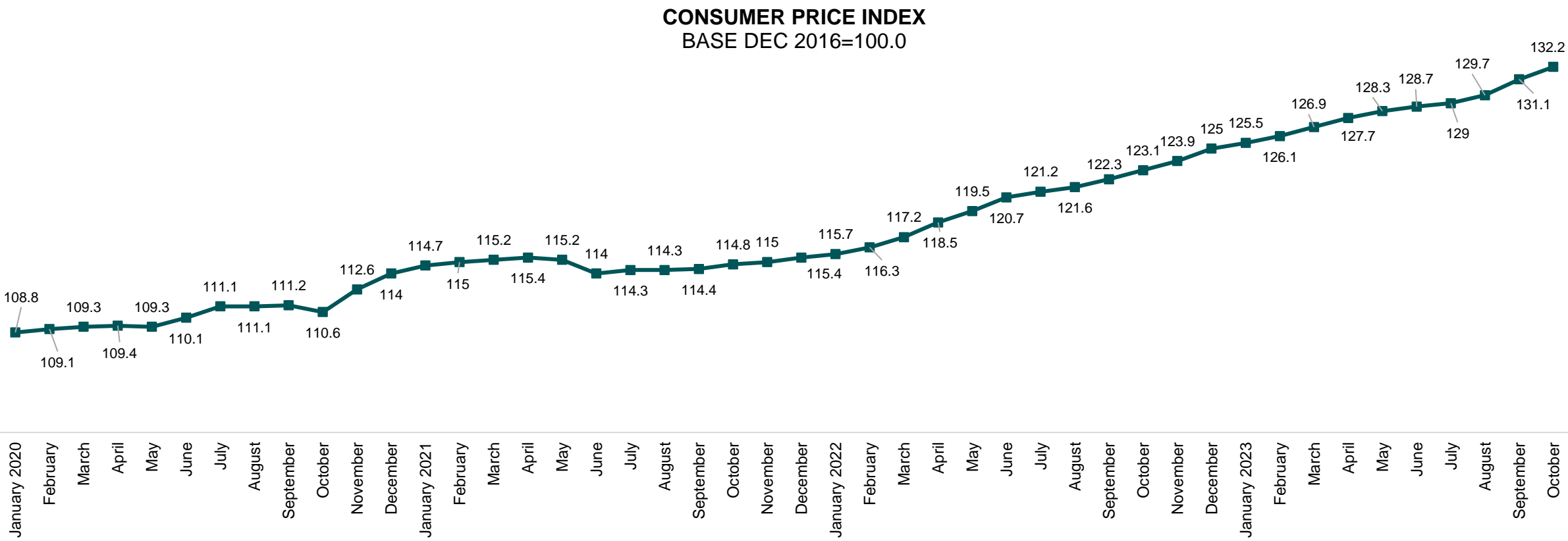
Restaurants and Hotels—ROI



Base: 100=December 2016
Source: Central Statistics Office

Consumer Price Index

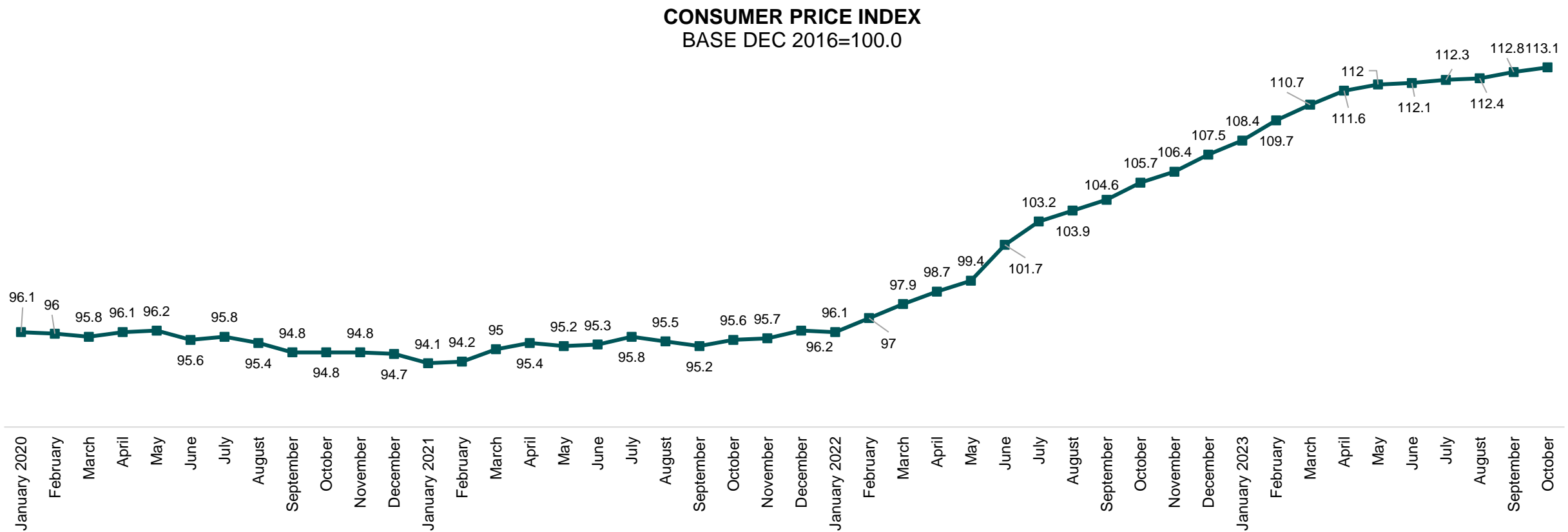
Restaurants, Cafes Fast Food and Takeaway —ROI



Base: 100=December 2016
Source: Central Statistics Office

Consumer Price Index, ROI

Food and Nonalcohol Beverage



Base: 100=December 2016
Source: Central Statistics Office

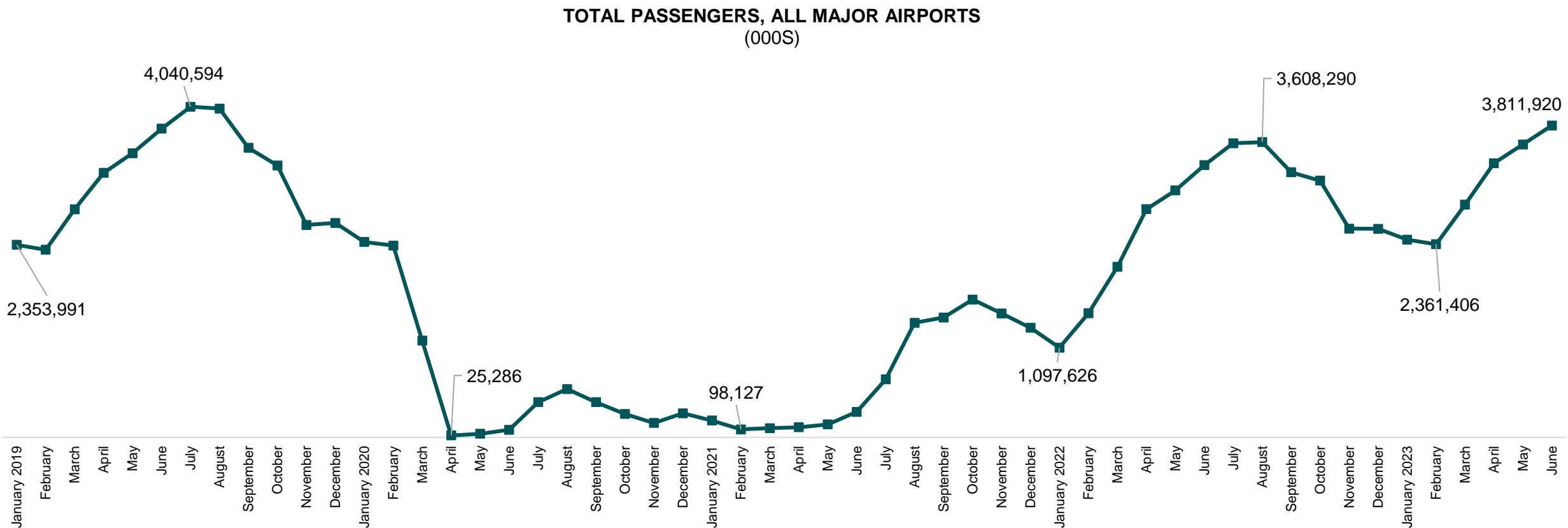
Price Increases on Select Items, ROI

Comparison Vs. Last Year and Vs. Pre-Pandemic

Item	Cost as of Oct 2023	Cost As of Oct 2022	Cost as of Oct 2019	One Year Change	Four Year Change
Litre of diesel	1.86	1.95	1.35	-4.6%	37.8%
Litre of unleaded petrol	1.85	1.80	1.45	2.8%	27.6%
Fresh salmon (per kg)	24.47	23.52	20.82	4.0%	17.5%
Ham fillet (per kg)	6.72	6.28	5.58	7.0%	20.4%
Striploin steak (per kg)	22.11	21.84	21.59	1.2%	2.4%
Uncooked chicken medium (per kg)	5.81	5.60	4.69	3.8%	23.9%
Butter per lb.	3.74	3.70	3.02	1.1%	23.8%
Draught ale (pint)	5.69	5.20	4.73	9.4%	20.3%

Airline Passengers, All Major Airports

January 2019 to June 2023



Source: Central Statistics Office

Section Six

Study Methodology

BORD BIA
IRISH FOOD BOARD



Glossary of Terms

Term	Definition
Business & Industry (B&I)	Includes foodservice operations within company and corporation locations, office complexes, plants, factories, etc. Note that this includes both white collar office locations as well as blue collar locations including logistics hubs, production facilities and factories, etc.
CAGR	Compound annual growth rate: The average sales increase over a specified number of years incorporating compound growth
Cash-and-Carry	A large outlet where foodservice operators and small retailers can come to purchase supplies
Commercial Foodservice	Channels where catering for profit is the prime objective
Consumer Spending	Consumer spending accounts for spending by diners within all foodservice channels
Contract	The direct supply of products to trade customers that buy centrally. Also known as “wheels only” in view of distributors that provide logistic support (delivery) but do not buy or sell
C-Store	Convenience store where hot food or food on the go is sold to eat and take away
Customer	The person to whom the supplier sells, usually the distributor or the operator, although the ultimate customer is the consumer
Delivered Wholesale	Supply of product to outlets via wholesaler delivery vans, often on a daily basis
Direct	Where operators buy from markets, producers or farmers direct rather than through intermediaries such as wholesalers
Fast-Casual Restaurant (FCR)	A subset of limited-service restaurants; menus may feature prepared to order items; menu items are typically made with fresh, high-quality ingredients; price point is between quick-service and full-service venues
Foodservice Channel	The acknowledged grouping of foodservice outlets by type (each of the main channels is defined separately)
Food To Go	Includes premade, ready-to-eat menu items sold through various retail channels and consumed off-premise
Forecourt Convenience	Convenience-store operations that are integrated with a fuel forecourt

Glossary of Terms

Term	Definition
Full-Service Restaurant (FSR)	Restaurants that offer table service and waiting staff
Hotel & Accommodations	Hotels and resorts that are primarily engaged in providing short-term lodging. Establishments may offer food and beverage services including restaurants, bars, conference services, catering services, banquet services, complimentary breakfast/snacks and room service
Institutional foodservice	Often known as cost catering, channels where catering is a service provided for free or with a subsidy
IOI	Island of Ireland
Limited-Service Restaurant (LSR)	Restaurants offering counter service where customers generally order or select items and pay before eating
Occasion	The meal reason for visiting a foodservice outlet, e.g. breakfast, lunch, dinner, coffee, snack etc. This can also be referred to as a “daypart”
Operator	The company or business running the foodservice outlet or chain of outlets
Operator Purchases	Operator purchases represent the value of distributors’ sales to operators, including distributors’ margins
Quick-Service Restaurants (QSR)	Also referred to as QSR, this channel is a subset of limited-service restaurants, often with value price orientation
Route to Market	How to get the product to the end consumer. Involves distribution and logistics
Traffic	The number of consumers visiting a foodservice outlet. Also known as footfall, it is a key operator metric
White-Tablecloth Restaurant	White-tablecloth restaurants, a subsegment of the full-service restaurant channel representing the more traditional and premium restaurant outlets

Macroeconomic Factors

Term	Definition
Gross Domestic Product (GDP) and Gross National Product (GNP)	The monetary value of all the finished goods and services produced within a country's borders in a specific time period, though GDP is usually calculated on an annual basis. It includes all of private and public consumption, government outlays, investments and exports less imports that occur within a defined territory. GDP is commonly used as an indicator of the economic health of a country, as well as to gauge a country's standard of living
Unemployment Rates	Represents the share of the labour force that is employed. The employment rate is one of the economic indicators that economists examine to help understand the state of the economy
Consumer Price Index (CPI)—All Items	An index of the variation in prices paid by typical consumers for retail goods and other items
Consumer Price Index (CPI)—Food and Nonalcohol Beverages	An index of the variation in prices paid by typical consumers for food and nonalcohol beverages
Consumer Price Index (CPI)—Restaurants and Hotels	An index of the variation in prices paid by typical consumers for foodservice items purchased at restaurants and hotels
Overseas Arrivals to Ireland	Data on the number of visitors to ROI for 2019, 2020 and partial 2021. Tourism is a key metric that will have an outsized impact on Ireland's foodservice industry.

Market Modelling Approach and Methodology

For calendar year 2023 and to project sales for calendar year 2024, Technomic's forecasting model is built on a month-by-month evaluation of the sales level for that month against the baseline 2019 monthly revenue numbers as well as against sales levels from the previous year.

This creates an index of recovery, where reaching a level of 100 means that 2019 revenue levels have been achieved. Throughout this report, industry recovery is reported not only in nominal (i.e. value) growth figures, but also using an index comparing results to 2019.

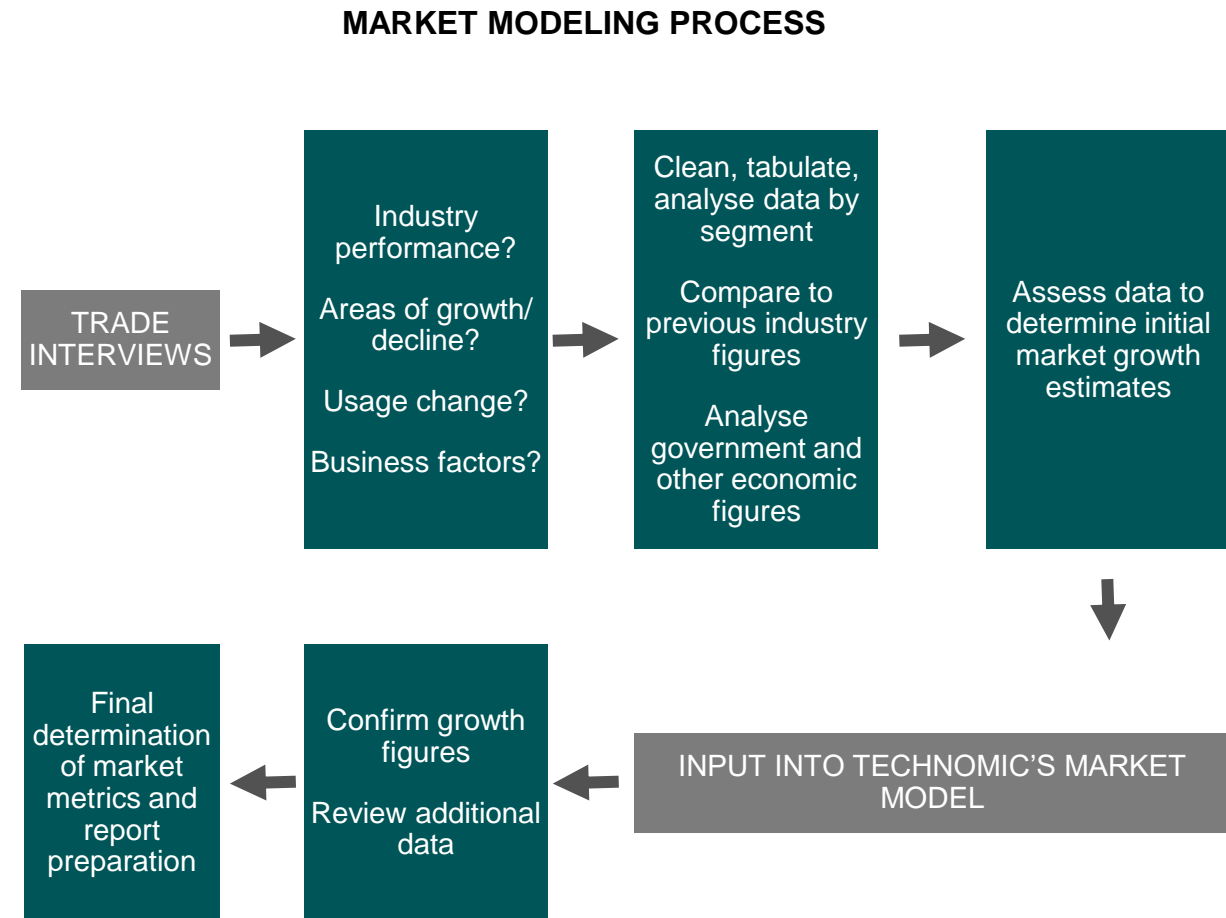
The modeling accounts for the varying levels of sales from month to month based on broader industry research conducted for this report. Seasonality is built into the modeling as well to account for variations in turnover from month to month.

Various historical and forecast inputs are employed in the model and are drawn from industry inputs and prior research.

Assumptions for each scenario have built-in regional differences and expectations.

Using all of the above, Technomic experts and analysts evaluate the outputs of the model for reasonability and, if necessary, revise the modeling and weighting of different inputs based on unique macro circumstances

The illustration to the right outlines key steps in Technomic's market sizing and forecasting process as it relates to the foodservice industry and specific segments in both the Republic of Ireland as well as Northern Ireland.



About Technomic

Technomic is uniquely qualified to conduct this assignment. Since 1966, Technomic has been assisting clients with interests in the global food and beverage industries to obtain a better understanding of the marketplace and potential opportunities.

Technomic is considered to be the leading research and consulting firm specialising in the foodservice or out-of-home (OOH) industry and is active in numerous international OOH markets. Technomic's broad-based expertise and second-to-none knowledge of the OOH channels and categories, establishes us as an industry leader in this growing marketplace.

As part of Winsight, Technomic is positioned as a leader in multiple facets of the global foodservice industry.

In May 2023, Technomic and its parent company Winsight were acquired by Informa PLC, a British conglomerate with verticals across food and numerous other industries. Beginning on January 1st, 2024, Technomic and the broader Winsight businesses will be fully integrated into the Informa structure, becoming part of Informa Connect's Food Services division.

Informa Connect provides customers and audiences access to the most credible source of industry market intelligence with top industry print and digital media assets, world class events and insights. Technomic will continue to provide insights to its clients and will fuel content among Informa Connect's many events and media properties.



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