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The only one that is.

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Retailers Offer Feedback on 4Q, Current Issues

Retailers weighed in on fourth-quarter expectations and issues now facing the industry.

"The fourth quarter outlook is positive," said a ceo of a regional chain. "It should be a strong season, as customer sentiment seems to be positive and they are willing, even expecting, to pay higher prices."

"The quarter will be strong but not to the numbers we saw in 2020," said a senior merchant. "Inventory is still a challenge."

"DIY customers are returning to buy now that the air has come out of the lumber and panel balloons," said a senior merchant.

"Even with all the impacts, the U.S. housing market, and therefore demand for building materials, is strong and expected to continue into 2022," said a vp of merchandising.

"Supply chain issues continue to be a problem, along with inflation in many categories like steel, windows, doors, gypsum, and engineered wood," said a chairman at a distributor.

"The concern will be inventory availability, given logistical and supply challenges, particularly for those items being manufactured off shore," said a senior merchant.

"We're canceling some orders where the shipping costs push our landed cost beyond market," said a chmn./pres at a regional chain. "We've been able to source some substitute products domestically."

Retailers' 'No Go' Has Suppliers Pulling Out of Shows

There is a growing exodus of exhibitors from the National Hardware Show. The show is held in Las Vegas, where all participants are now required to wear masks.

"Given the uncertainty and planned retailer attendance (most notables are not sending anyone), we are not participating in 2021," said the president of a leading supplier. "We were waiting to see if indeed the show would go on as scheduled."

"In doing our survey, we have not found any of our accounts, or target accounts, who plan to attend," said the ceo of a supplier. "It sounds like the show may implode if a lot of exhibitors are backing out."

"I've been emailing and calling to cancel, but no one has answered my call or email," said a vp sales & marketing. "It's been quite frustrating."

An overwhelming majority of merchandising executives at the leading national and regional retailers surveyed in August by Home Improvement Executive said they will not attend.

Suppliers say that attendance at the Ace Hardware show last week in Orlando was "not up to expectations." True Value's show this week in Chicago faces the state's mandate to wear masks indoors, which is anticipated to hinder attendance.

Newly Public Weber, Traeger Reveal Financials

Weber and Traeger, which both went public this summer, released their financials for the quarter ended June 30.

Weber sales were up 19% to \$669 million, and Traeger sales were up 39% to \$213 million.

Weber's net income was down 78% to \$18 million; operating expenses increased 97% to \$263 million. Traeger had a net loss of \$5 million, versus income of \$19 million; operating expenses more than doubled to \$80 million, from \$38 million.

Weber's sales in the Americas were up 8% to \$339 million. Operating income was down 13% to \$61 million.

Weber had to scale back its IPO to about 18 million shares at \$14 each, raising \$250 million. It originally looked to raise \$797 million by selling up to 47 million shares in the \$15 to \$17 range. The stock traded at \$15.66 last week.

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Innovations in

WET/DRY VACS

- Industry News
- Market Trends

Accessories, Overall Performance Top of Mind

New and current wet/dry vacs are bringing updated accessories and a greater focus on performance to market.

Koblenz has updated its primary brand for the residential market with a Sanitizer vac that sprays a mist of disinfectant developed in partnership with Ecolab and “proven to get rid of the Covid virus,” according to Dale Belknap, evp/managing director at Thorne Electric, a Koblenz USA company.

“Unlike traditional cleaners that stay wet for hours until they air dry, these accessories spray the provided cleaning solution while hooked up directly to the wet-dry vacuum; surfaces can be sucked dry directly after scrubbing in the solution,” Belknap says.

Koblenz also developed a Pet Turbo Brush Kit accessory, featuring a rotary brush operated by airflow when hooked up to the vacuum to remove pet hair and a beater bar that extracts bed bugs.

Shop-Vac USA, which GreatStar Tools acquired in December for \$42 million, has focused its innovations on overall performance and, on the high end, “a balanced performance specification — motor size, horsepower, filter & bag technology, hose size, accessories, sealing technology — with DIYers in mind,” says Charlie Lawrence, coo.

“Advances in composite materials have made our vacs safer, improved airflow and lift, and advanced our filtration,” Lawrence says. Shop-Vac vacuums are classified as commercial grade, based on the company’s safety

approvals as certified by UL.

Vacmaster wet/dry vacs are known for high-quality materials that create rugged units for withstanding clean-up at home and on the job, says Alain Duque, president of Cleva N.A.

“We also continue to offer unparalleled performance through our efforts in engineering and design,” Duque adds, “specifically in motors and air movement.”

Suppliers Meet Needs w/ Full Lines, Features

Suppliers are addressing user needs with wider assortments and features.

In addition to its core brand, Koblenz differentiates itself with the Contractor Series sub-brand for pros, Endurance Series for the OEM market, and Designer Series.

For the Designer Series, Belknap says, “We kept hearing, ‘This belongs in my garage but not inside my home environment.’ This insight inspired our team to redirect the wet-dry vacuum category away from a utilitarian design.”

Features for Koblenz and its sub-brands include stainless steel and polypropylene tanks, EVA kink-resistant hoses, and extended bottom corners for greater stability. The Contractor and Endurance Series also have a 35-foot grounded electrical cord that works with the PIGTAIL LOCK for greater connections.

“Contractors need longer reach as they are building larger rooms and need additional length to maneuver around objects on the jobsite as well as added protection with heavy-duty grounded

electrical cords,” Belknap says. “Our electrical cord and PIGTAIL LOCK provides an incremental \$25 value.”

Vacmaster’s assortment includes wet/dry vacs “as an everyday solution,” Duque says. In addition to household vacs, they include cordless units for boats and campsites, detachable blower vacs for the yard, and the high-performance Beast Series for the garage and workshop.

Shop-Vac differentiates itself with a complete product line and by leveraging its Pennsylvania manufacturing and R&D center for “the shortest lead times and responsiveness in our category, which has become valuable over the past two years,” Lawrence says.

“From simple spills to messy workshops, unclogging drains, collecting ashes, and large industrial applications all require specific accessories, filters, bags, and vacuum size and performance,” Lawrence says. “Shop-Vac satisfies all those needs.”

Pipelines Full, Yet Constantly Churning

More fully developed innovations in wet/dry vacs will hit retail by the end of this year.

Koblenz will launch about 30 new wet/dry vacs at the National Hardware Show and ship to retail in the third and fourth quarters.

“The designs will certainly be aligned with our 60-plus year heritage of providing enhanced quality, increased suction performance, new innovative designs, ease of function, and providing solutions to today’s unmet user needs,” Belknap says.

Shop-Vac’s awareness and loyalty is “unparalleled,” according to Lawrence.

“Performance and knowing our customers’ needs are part of Shop-Vac’s DNA,” Lawrence adds, “and we will leverage this history in advancing battery, polymer, and motor technology — all while focused on optimizing performance, quality, and value.”

Cleva will be introducing several new enhancements to its existing Vacmaster products, Duque says, “as well as a game-changing new wet/dry technology.”

New Packs, Outreach Shift, Return to Shows Highlight Marketing

Koblenz has introduced new packaging for its Koblenz brand and Contractor Series sub-brand of wet/dry vacs. Its call-out features easily explain the value proposition, says Dale Belknap, evp/managing director at Thorne Electric Co. The packaging also includes easy-to-scan English/Spanish translations throughout, along with QR codes that provide more information.

Shop-Vac has shifted its education and marketing to social media and other online vehicles, according to Charlie Lawrence, coo of Shop-Vac USA.

“We’re using the latest video and graphics, which are particularly useful in demonstrating the many ways to use each Shop-Vac,” Lawrence says. “This also helps to strengthen and solidify our reputation as a thought leader and expert in the category.”