



Classic Exhibits

STATE OF THE COMPANY 2021



Kevin Carty, Classic Exhibits Inc.

TO THE CLASSIC EXHIBITS PARTNERS:

Writing the SOTC letter this year is WAY different than ever before, but then again, I keep reminding myself “Everything is different this year Kevin.” And different is not always bad.

I really don’t want to belabor all the challenges of the past nine months both professionally and personally, but I would be remiss if I did not acknowledge that this was a painful year for our industry, our company, and our people. But it wasn’t all bad.



JANUARY, FEBRUARY, AND (A LITTLE BIT) OF MARCH

Q1 was the single largest quarter in our company’s history. Both from a top-line and bottom-line perspective. The diversity of projects extended across all lines and price points – Rental, Custom, Portable/Modular, Retail, and Corporate Environments.

Katina Rigall Zipay and I attended EuroShop in Germany and came back energized with creative ideas. We also finalized engineering, design, and marketing for our new Symphony Portable line (which we were launching at EXHIBITORLIVE). Plus, a slew of other custom and backlit innovations.

Then came COVID-19. Let’s be honest. No one was prepared for this nightmare.

As a basketball coach, I am huge fan of coaching and perfecting the basics. And pivoting is one of the foundations of basketball. **In 2020, we all learned to pivot – “To turn or swivel,” “To go another direction,” and “To rotate.”** Pivoting requires a good foundation and strong footing. If you don’t have a good firm footing when you pivot in basketball, you will likely “travel with the ball” and turn the ball over to your opponents.

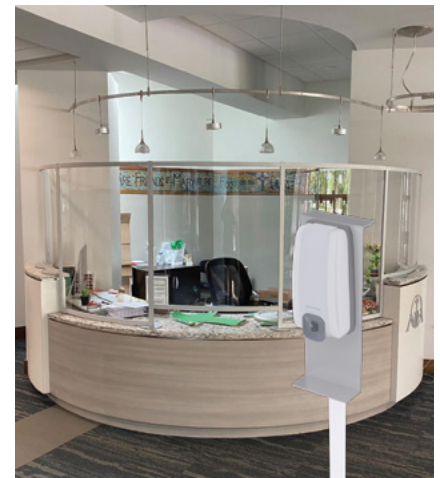
CLASSIC PIVOTS

Like you, we acted early and often to the evolving product needs. Some came and went seemingly within weeks. Others remained steady throughout the past 9-10 months. At one point, we had quotes totaling several million dollars in temporary medical structures. Those disappeared like morning fog only to reappear (albeit as smaller opportunities) in the past month or two.

In general, our new product normal fell into four categories:

- **3D Virtual Exhibits (more accurately described as Digital Marketing Tools)**
- **Branded Office Dividers (PlaceLyft)**
- **“Design-Driven” Safety Dividers**
- **Sanitizer Stands and Office Cubicle Extensions**

That’s not to say we haven’t designed and sold other core products. We still get orders for counters, lightboxes, iPad and tablet stands, and portable displays. And ongoing custom retail solutions. Even the occasional modular inline or island (as some exhibitors prepare for trade shows to resume).





Classic Exhibits

3D VIRTUAL EXHIBITS

Virtual trade shows and events have not gone well. But they are improving. CES 2021, for example, demonstrates what a hybrid show may become. The virtual CES show is really an event, not a trade show. It needs the live F2F to be truly successful for exhibitors. That said **we have seen GREAT success in Digital Marketing Tools**. These are here to stay once F2F shows return as hybrid options for online events. More importantly, clients are using them as Sales and Marketing tools unrelated to trade shows or events. Those companies are discovering these tools can drive new avenues of revenue throughout the year.



PLACELYFT

PlaceLyft isn't really new. Classic has been selling PlaceLyft for years to agencies. Agencies often assist with rebranding and corporate environments, and Classic has been their manufacturing partner. **While there are other office divider systems, including some very big names, only PlaceLyft provides brandable space including lightboxes, white boards, magnetic surfaces, and other cladding options.** All of which are interchangeable, modular, re-brandable, and designed to be easily cleaned and sanitized. **Think of them as "creatables" (and not cubicles).**

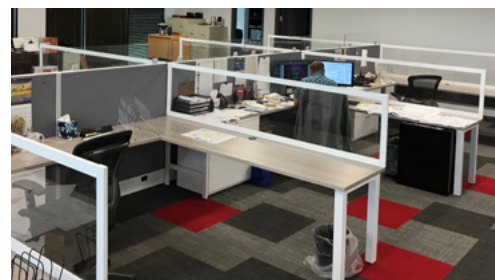
"DESIGN-DRIVEN" SAFETY DIVIDERS

Within a month or two of COVID, the market was flooded with cheap, ugly dividers. We knew our niche wasn't "shower curtains" and "wooden dowels," but **functional and customizable barriers that enhanced your clients existing environment**. Banks were first, then medical offices, and finally elementary schools, high schools, and universities. We've continued to see these projects as retail and hospitality businesses replace their homemade solutions. And we expect it to continue for several years. A special thanks to those distributors who aggressively pursued that market.



SANITIZER STANDS AND OFFICE CUBICLE EXTENSIONS

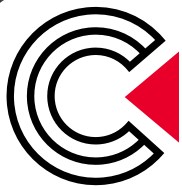
If you told me in February that by January 2021 Classic would sell over 10,000 cubicle height extenders and 1000's of sanitizer stands, I would have told you to cut back on the laughy-toback. But we knew we had to develop product lines our distributor network could sell. PPE products were hot, and we had the skills and equipment to pivot.



THE TOP FABRICATORS SERVING THE
EVENT AND TRADE SHOW INDUSTRY

ON THE BRIGHT SIDE

We received five EXHIBITOR Magazine Award PMA nominations, AND we won for the People Choice Award and for best Design Build of the Year. Once again, we made the **Find-IT Top 40** along with the **Event Marketer's Fab 50**. Not too shabby for an "invisible designer and builder."



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STATE OF THE COMPANY
2021



Katina Rigall Zipay was named Designer of the Year for EDPA, and one of the 10 Future Leaders under 40.

Now that we've shifted into 2021, we expect late Q2 and all of Q3 to improve considerably as customers prepare for late summer and fall events. When it comes to trade show marketing, most exhibitors don't plan and purchase their exhibit months in advance. That said, there's clearly pent-up demand to return to the show floor. Virtual has not worked in large part.

Exhibitors and attendees want F2F interaction, which (hopefully) will lead to a shorter recovery than previous business downturns.

GRATITUDE AND A NEW BEGINNING

Going thru 2020 has also given me a new appreciation, and frustration in some cases, for engagement with our elected representatives. Our industry was largely "unseen" before all this. That's not the case anymore. **We now have active voices on Capitol Hill speaking for us and sharing just how much economic impact our industry contributes to the national and local economies. Huge thanks to people like Chris Griffin, Rob Cohen, and Mark Taylor for carrying that banner.** And for inspiring folks like me and countless others across the US to do the same on a state level.

As we search for answers to the many "why's" over the past 9 months, I hope hindsight provides us with some clarity. I've learned through phone calls, emails, Zoom meetings, and seminars that the Classic Family of Employees, Distributors, and Suppliers is a remarkable community. Yes, we are committed to our mutual business success, but we are also committed to one another's personal and professional welfare. **The strengthening of those relationships in 2020 has been inspiring. Thank YOU!**



Chris Griffin, TS Crew

To the Classic Team, thank you beyond words. This has been a hard time, but the ongoing personal sacrifices I have seen you all make... that we have all made together in the past year... has only proven what I already knew. We have the best people in our industry right here at Classic. And the term *Work Family* is much more than just something you say in passing. It defines our foundation and the strong footing that has gotten us through 2020.

I look forward to seeing you on the show floor, on a visit to your facility, or here at Classic for Shared Knowledge University.

Happy New Year All

Kevin Carty
Executive Vice President
Classic Exhibits Inc.



SYMPHONY
Portable Display Elegance