



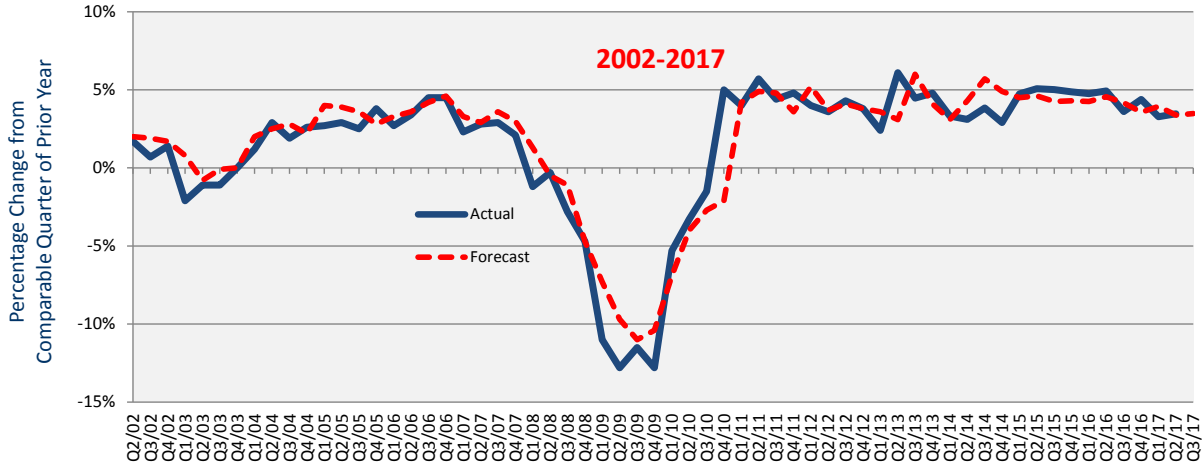
The commercial foodservice industry's most definitive non-food sales/trend indicator
Q2/2017 Foodservice Business Barometer Report

Many thanks to the firms that participated in this quarter's MAFSI Business Barometer:

Adams Marketing & Sales	Gabriel Group, Inc.	Premier Marketing Group, Inc.
Advanced Culinary Systems	Gibbs & Associates, Inc.	Pro Foodservice Reps Limited
Advantage Marketing Group	GMV Sales	Pro/Line Marketing, Inc.
Agences Hamilton Agencies	Greenwald Sales & Marketing	Professional Manufacturers Representatives, Inc. (PMR)
Apex Commercial Kitchen Co.	Griffin Marketing Group, Inc.	Pro-Quip Foodservice Equipment & Supplies
Apex Marketing	Hanna-Young & Assoc., Inc.	R. Henry & Associates
ARB Sales and Marketing	High Sabatino Associates	R.Z. Marketing Group (Advantage Waypoint)
Associated Marketing Agents	HODAK Sales	Rabco Foodservice Limited
B Square Enterprises	Hollander Company	Redco Foodservice Equipment, LLC
Barringer High Country Marketing, Inc.	Hospitality Reps Inc.	Rep Concepts LLC
Beacon Sales Group LLC	HRI, Inc.	Roy Siegel & Associates
Bob Waite & Associates	Ignite Foodservice Solutions	Schmid-Dewland Associates
Bowerman Management Group	Inform Marketing Group, LLC	Sharkey & Associates
Brittan Associates	Integra Marketing, Inc.	South Eastern Manufacturers' Agents, Inc. (SEMA)
BSE Marketing	J. Wilson Marketing Ltd.	Specialized
C. R. Peterson Associates, Inc.	JMT Reps	Spurry-Curren and Associates
Carman-Girard Associates	John Calarese & Co., Inc.	stage KOLSTAD associates, Inc.
Charles L. Burton Associates	Johnson Pike & Associates, Inc.	Stiefel Associates, Inc.
Charles Pace & Associates	Kain-McArthur Inc.	TD Marketing Company, Inc.
Chrane Foodservice Solutions	KBC Specialty Products, Inc.	The 2Market Group, Inc.
Claes & Greenoe Marketing Group	Ken W. Thomson Associates Ltd.	The Burlis-Lawson Group
Clark, Malone & Associates, Inc.	KLH Marketing, Inc.	The Fischer Group
Clements-Stella-Gallagher Marketing	Koehler-Borden & Associates, Inc.	The Hansen Group
Collis Group, Inc.	Lake Effect Sales & Marketing	The Pantano & Pinilla Agency
Commercial Kitchen Reps, Inc.	Lehr McKeown Marketing, Inc.	The Schmid-Wilson Group
Copperfield Agencies Limited	Link2 Hospitality Solutions	The Wallin Group, Inc.
Courtney Marketing, Inc.	Lund-Iorio, Inc.	The Yes Group
Cowan Associates	MAC Sales & Marketing LTD.	Thormann Associates
Davis & Associates, Inc.	Marjon & Associates, Inc.	TLC Marketing Inc.
Desert Peak Marketing	Marketing Agents South, Inc.	Total Source Equipment & Supply
Downing Management	Master Marketing	Total Table Top Plus
DRC Marketing Group	Midwest Professional Reps, Inc.	TRC Marketing, Inc.
E. Ruff & Associates, Inc.	Miller & Associates	Vader & Landgraf, Inc.
East Coast Marketing	Mirkovich & Associates, Inc.	Veitch Group
Eaton Marketing Associates, Inc.	Mirkovich & Associates, Inc.	Velkey & Associates
Equipment Preference, Inc. (E.P.I.)	Nick Mavro & Associates, LLC	Viola Group
Equipment Solutions, Inc.	North Star Agency, LLC	Voeller & Associates, Inc.
Ettinger-Rosini & Associates, Inc.	ONE SOURCE	W. D. Colledge Co., Ltd.
Five Point Kitchen Solutions	Paglio & Associates, Inc.	Walter Zebrowski Associates
Florida Agents, Inc.	PB & J Commercial Agents	WB Marketing LLC
FOCUS Hospitality Sales	Pecinka Ferri Associates	West Coast Food Service Marketing
Food Equipment Sales & Marketing Agents, Inc. (FESMA)	Permul Ltd.	Woolsey & Associates, Inc.
Food Service Systems	Posternak Bauer Aitkenhead Cantamessa	Wyllie Marketing
FOODSERVICE AGENTS of ONTARIO	Preferred Marketing Agents, Inc.	YBR Marketing, Inc.
Foodservice Equipment Agents, LLC	Preferred Marketing Group	Zink Foodservice
Forbes, Hever & Wallace, Inc.	Premier Equipment Group, Inc.	

Overall Commercial Foodservice Sales Per Quarter for North America

A New Plateau of +3 to +4% is Being Established from Prior Range of +4 to +5%



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The MAFSI Business Barometer for the second quarter of 2017 advanced to +3.5% vs. a forecast of +3.4% and the previous quarter (Q1/17) result of +3.3%. Whereas the MBB had been advancing at the rate of +4 to +5% over the past 3 years, it now has settled into a less vibrant range of +3% to +4%. A new plateau is being established with a Q3/17 forecast of +3.5%. Nevertheless, this still exceeds the general measures of US economic growth of about +2% to +2.6%.

By product type, the Q2/17 overall growth broke down as follows: Equipment and Tabletop +3.6%, Furniture +2.7%, and Supply +2.6%. By region, the gains varied from +6.4% Canada (WOW!), +4.1% South, +3.8% Northeast, +2.6% Midwest, and +1.8% in the West.

This geographic ranking is similar to last quarter's results. Jan/San tracking which was added to our reporting last quarter, showed slower results at +2.4% Equipment, +1.9% Supplies, and -1.1% Disposables. Quoting Activity held its ground at 46% More and only 16% Less while Consultant Activity slowed to 33% from 37% last quarter.

Overall, a slightly downward adjustment is occurring in the marketplace. Positive factors include raising employment to near full, steadily lower gasoline prices, and low interest rates. One negative is a softening of chain restaurant sales, perhaps impacted by retail store closings in shopping centers as a result of soaring e-commerce transactions.

Executive Summary written by Michael Posternak, PBAC, Eastchester, NY
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Qtrly Sales Forecast for North America

Q3/17 vs. Q3/16

3.5%

Yearly Sales Forecast for North America

2017 vs. 2016

4.4%

2016 vs. 2015

4.5%

Quoting Activity for Q2/17 vs. Q1/17

More

46%

Less

16%

No Change

39%

Consultant Activity for Q2/17 vs. Q1/17

More

33%

Less

9%

No Change

58%

Janitorial & Sanitation for Q2/17 vs. Q2/16

Equipment

2.4%

Supplies

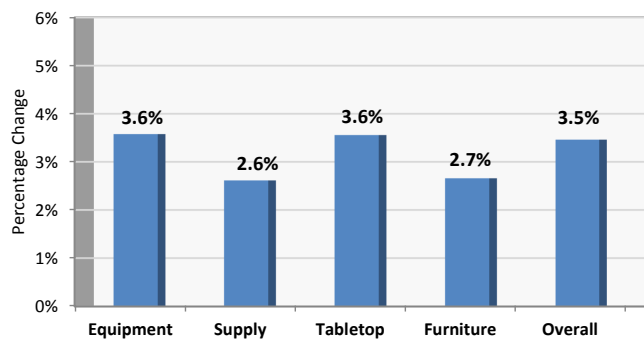
1.9%

Disposables

-1.1%

2nd Quarter 2017 Overall Sales for North America

Q2/2017 vs. Q2/2016 (Apr 1 - Jun 30)



*The overall industry sales growth is calculated using a weighted average based on the percentage of the total sales volume for the overall industry represented by the various sales categories: Equipment (77%), Supplies (6%), Tabletop (11%), and Furnishings (6%). Market numbers are based on the North American Association of Food Equipment Manufacturers (NAFEM) biennial "Size & Shape of the Industry" study.



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Q3/17 vs. Q3/16 Sales Percentage Change Forecast by Region

3rd Quarter 2017 compared to 3rd Quarter 2016 (Jul 1 - Sep 30)

Northeast 3.1%	South 4.2%	Midwest 2.5%	West 2.9%	Canada 5.4%
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2017 vs. 2016 Overall Sales Forecast by Region

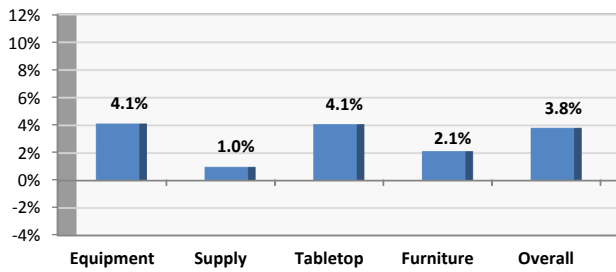
Compared to Overall Sales for 2016

Northeast 4.2%	South 4.4%	Midwest 4.6%	West 4.4%	Canada 4.1%
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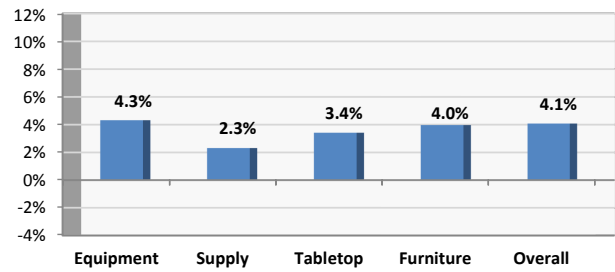
2nd Quarter 2017 Sales Percentage Change by Region

2nd Quarter 2017 compared to 2nd Quarter 2016 (Apr 1 - Jun 30)

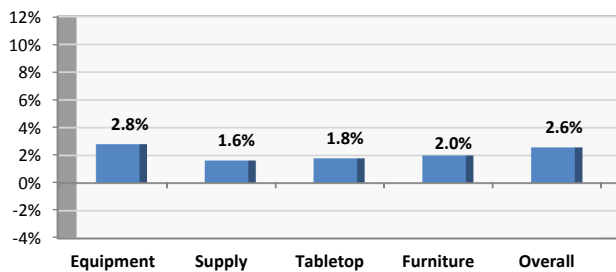
Northeast



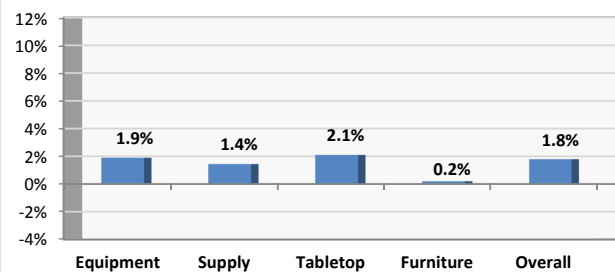
South



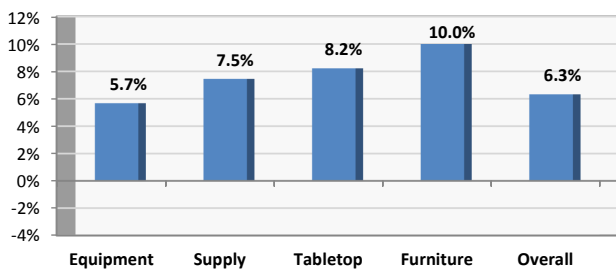
Midwest



West



Canada



NORTHEAST includes the states:

CT, DC, DE, MA, MD, ME, NH, NJ, NY, PA, RI, VA, VT

SOUTH includes the states:

AL, AR, FL, GA, LA, MS, NC, OK, SC, TN, TX

MIDWEST includes the states:

IA, IL, IN, KS, KY, MI, MN, MO, ND, NE, OH, W. PA, SD, WI, WV

WEST includes the states:

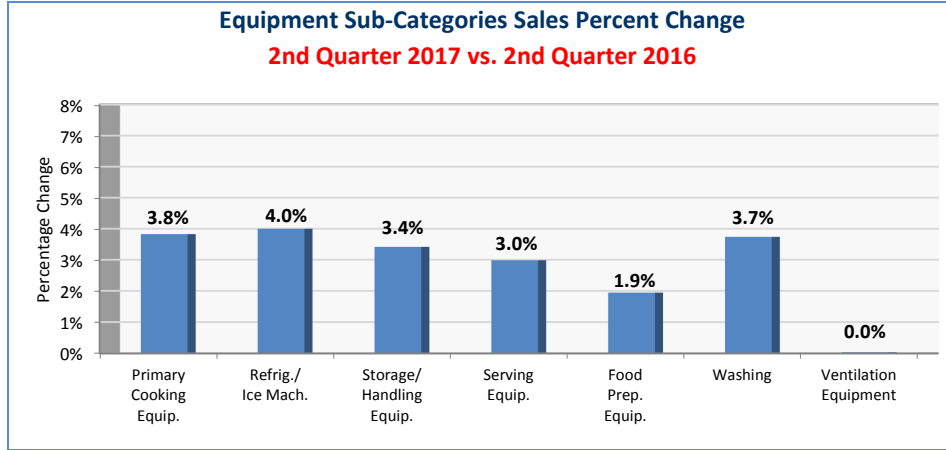
AK, AZ, CA, CO, HI, ID, MT, OR, NM, NV, UT, WA, WY

CANADA includes all provinces and territories in Canada.

*The overall industry sales growth is calculated using a weighted average based on the percentage of the total sales volume for the overall industry represented by the various sales categories: Equipment (77%), Supplies (6%), Tabletop (11%), and Furnishings (6%). Market numbers are based on the North American Association of Food Equipment Manufacturers (NAFEM) biennial "Size & Shape of the Industry" study.

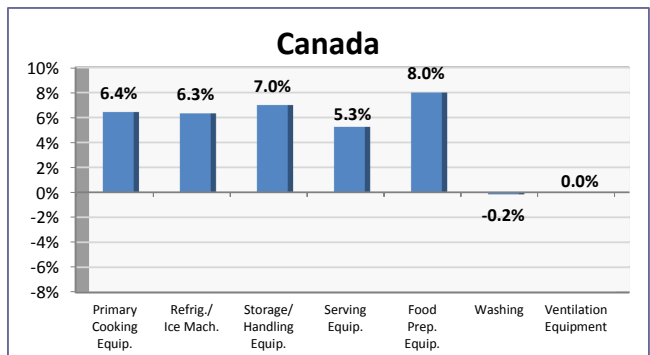
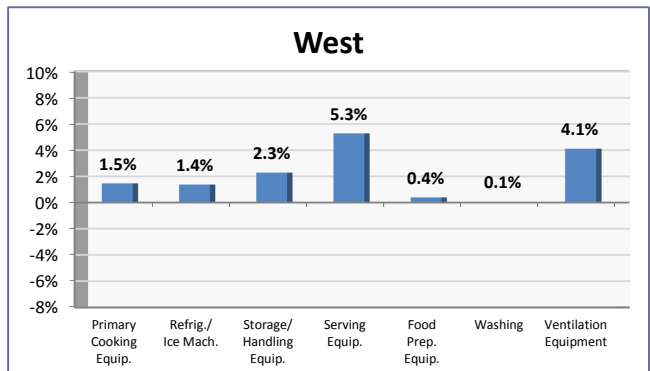
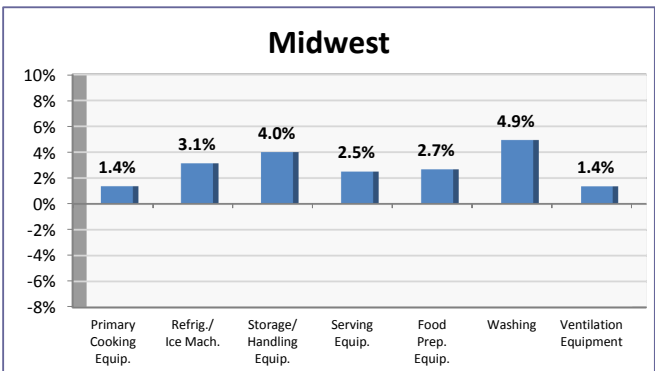
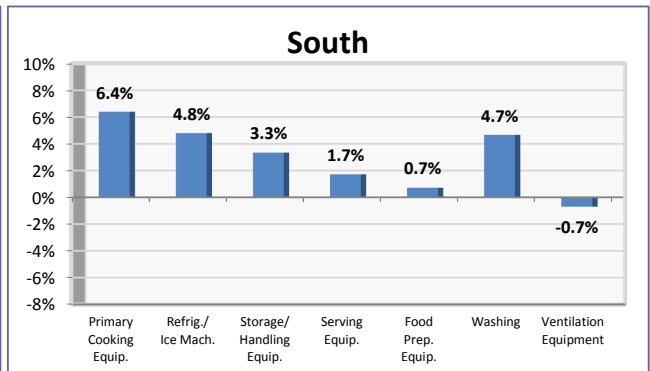
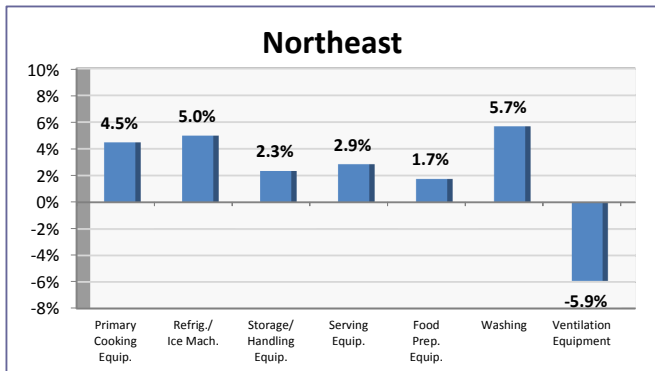
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Q2/2017 Equipment Sub-Categories Business Barometer



Equipment Sub-Categories Sales Percent Change by Region

2nd Quarter 2017 compared to 2nd Quarter 2016 (Apr 1 - Jun 30)



NORTHEAST includes the states:

CT, DC, DE, MA, MD, ME, NH, NJ, NY, PA, RI, VA, VT

SOUTH includes the states:

AL, AR, FL, GA, LA, MS, NC, OK, SC, TN, TX

MIDWEST includes the states:

IA, IL, IN, KS, KY, MI, MN, MO, ND, NE, OH, W. PA, SD, WI, WV

WEST includes the states:

AK, AZ, CA, CO, HI, ID, MT, OR, NM, NV, UT, WA, WY

CANADA includes all provinces and territories in Canada.

*The equipment sub-category sales growth is calculated using a weighted average based on the percentage of the equipment sub-category sales volume represented by the various sales categories: Primary Cooking (26%), Refrigeration/Ice Machines (32%), Storage/Handling (9%), Serving (16%), Food Prep (7%), Warewashing (10%) from the (NAFEM) biennial "Size & Shape of the Industry" study. Ventilation not weighted.



Business Barometer Category Product List

Please note: As of q3, 2015, "Menu and Message Boards" (previously calculated in Supplies) are now in Tabletop, and "Thermometers and Temperature Monitoring Devices" (previously in Food Preparation Equipment) are now in Supplies.

MAIN CATEGORIES	
Equipment	Food Preparation Equipment, Primary Cooking Equipment, Refrigeration & Ice Machines, Serving Equipment, Storage & Handling Equipment, Ventilation, Warewashing & Sanitation Equipment
Supplies	Bar Supplies, Buffetware, Can Openers, Cleaning Tools, Colanders, Cookware, Cutting Boards, Knives/Cutlery Blocks/Sharpeners, Mixing Bowls, Pans, Storage, Thermometers/Temperature Monitoring , Textiles (Kitchen), Utensils (Kitchen)
Tabletop	Baskets, Beverage Pitchers/Servers, Buckets (Ice & Wine), Candle Holders/Lamps, Candle & Chafing Fuel, Carafes/Decanters, Chafers, Covers, Dinnerware, Flatware, Glassware/Stemware, Menu Covers, Menu/Message Boards , Salt & Pepper Shakers, Serving Bowls/Plates, Servingware, Trays, Tray Stands
Furniture	Baby-Changing Stations, Bars (Stationary & Mobile), Benches, Booths, Cabinets, Chairs, Coat Racks, Drive Through Windows, Lamps (Dining/Table), Signs, Patio/Outdoor Heaters, Railings & Railings Fittings, Stools, Tables, Table Bases, Table Cloths, Umbrellas
SUB-CATEGORIES	
Primary Cooking Equipment	Braising Pans, Broilers, Charbroilers, Cook-Chill Systems, Fryers, Griddles, Grills, Oil Filtration Systems, Ovens, Panini Grills, Pasta Cookers, Ranges, Rice Cookers, Smokers, Steamers, Tilting Skillets, Toasters
Refrigeration & Ice Machines	Air Curtains, Blast Chillers, Coolers, Doors, Drop-In Pan Chillers, Freezers, Ice Cream Cabinets, Ice Machines, Refrigeration, Refrigeration Compressors, Condensers & Evaporators, Slush/Smoothie Machines, Soft-Serve Ice Cream/Yogurt Machines, Water Filter Systems
Storage & Handling Equipment	Bins, Bus/Tote Boxes, Cabinets, Carts, Conveyor Systems, Covers, Dispensers (non-food), Dollies, Food & Ingredient Canisters & Containers, Hand Trucks/Utility Trucks, Racks, Receiving Scales, Shelving, Tables (Standard Work Tables not Custom Fabricated) (Bakers, Cooks, Makeup, Prep, Etc.)
Serving Equipment	Beverage Dispensers, Carving Stations, Coffee Equipment, Food Dispensers, Food Shields, Merchandisers, Salad Bars/Tabletop Food Bars, Serving/Buffer Lines, Serving Carts, Soup Kettles/Servers, Steam Tables/Hot-Food Tables/Bain Marie, Tea Brewers, Warmers
Food Preparation Equipment	Blenders, Breaders, Bread Slicers, Choppers (Dicers, Graters, Peelers, Non-Bread Slicers), Dough Preparation Equipment, Food Processors, Juice Extractors/Juicing Equipment, Meat Saws, Meat Tenderizers/Marinators, Mixers, Mixer Stands & Tables, Popcorn Carts/Machines, Salad/Vegetable Washers & Dryers, Scales, Slicers, Timers
Warewashing Equipment (please note, as of Q416, Sanitation Equipment is included under Janitorial and Sanitation Equipment)	Booster Heaters, Can Washers, Faucets/Spray Units/Washers/Hoses, Flatware-Handling/Recovery Systems, Floor Troughs & Drains, Pulpers & De-Water Equipment, Racks (Warewashing/Dishwashing Racks), Sinks, Tables (Dish), Warewashing/Dishwashing Machines, Waste Compactors, Waste Disposal Systems

Ventilation	Appliance Connectors, Grease/Exhaust Filters, Grease Interceptors, Fire Suppression Systems/Fire Extinguishers, HVAC - Exhaust Systems, Fans, Utility Distribution Systems, Ventilation & Hoods
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