

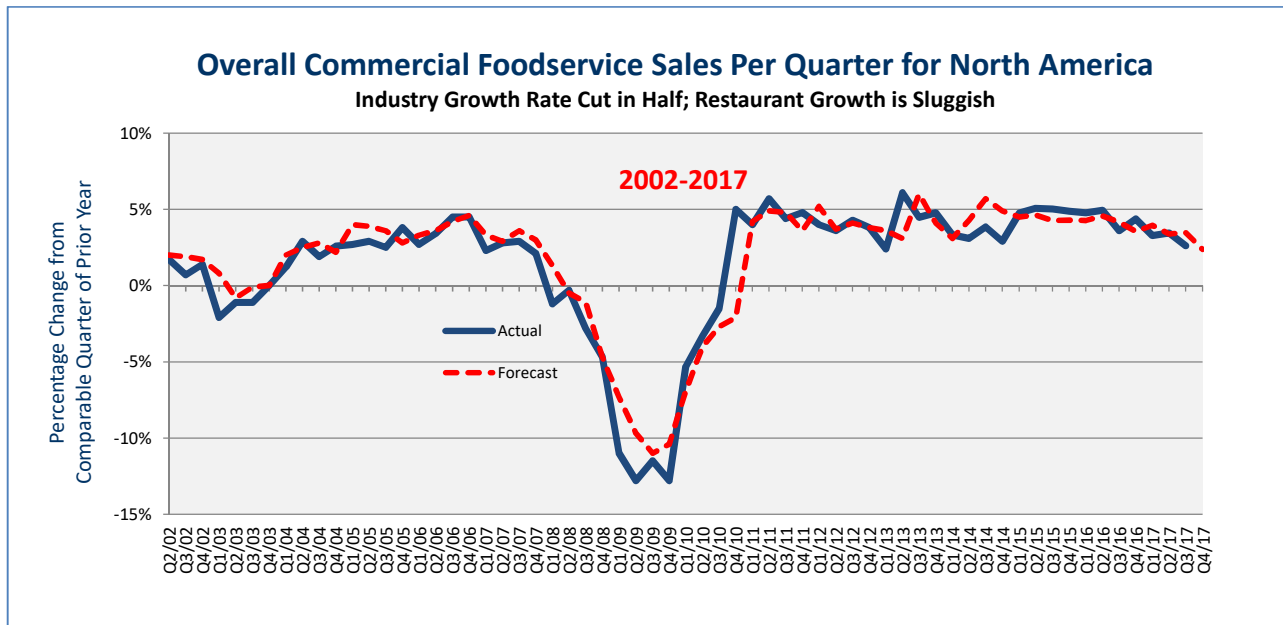


**The commercial foodservice industry's most definitive non-food sales/trend indicator**  
**Q3/2017 Foodservice Business Barometer Report**

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

Advantage Marketing Group	Griffin Marketing Group, Inc.	Professional Manufacturers Representatives, Inc. (PMR)
Agences Hamilton Agencies	Hanna-Young & Assoc., Inc.	Pro-Pacific Agents, Inc.
Apex Commercial Kitchen Co.	High Sabatino Associates	Pro-Quip Foodservice Equipment & Supplies Incorporated
Apex Marketing	HODAK Sales	R. Henry & Associates
ARB Sales and Marketing	Hollander Company	Redco Foodservice Equipment, LLC
Barringer Marketing, Inc.	HRI, Inc.	Schmid-Dewland Associates
Beacon Sales Group LLC	Integra Marketing, Inc.	Shamrock Foodservice Equipment Reps. Inc
Bob Waite & Associates	J. Wilson Marketing Ltd.	Sharkey & Associates
Bowerman Management Group	JMT Reps	Specialized
Brittan Associates	Johnson Pike & Associates, Inc.	Specialty Equipment Sales Company (SESCO)
BSE Marketing	Kain-McArthur Inc.	Stiefel Associates, Inc.
Carman-Girard Associates	KBC Specialty Products, Inc.	TD Marketing Company, Inc.
Charles Pace & Associates	Kitchen Resource Group	The 2Market Group, Inc.
Chrane Foodservice Solutions	KLH Marketing, Inc.	The Burlis-Lawson Group
Claes & Greenoe Marketing Group	Lake Effect Sales & Marketing	The Fischer Group
Clemens Profit Group	Lane Marketing Group	The Hansen Group
Clements-Stella-Gallagher Marketing	Lehr McKeown Marketing, Inc.	The Pantano and Pinilla Agency, Inc.
Collis Group, Inc.	Link2 Hospitality Solutions	The Schmid-Wilson Group
Commercial Kitchen Reps, Inc.	Lobo Reps International, LLC	The Wallin Group, Inc.
Copperfield Agencies Limited	Lund-Iorio, Inc.	The Yes Group
Courtney Marketing, Inc.	M2 Foodservice Representatives LLC	Thormann Associates
Cowan Associates	MAC Sales & Marketing LTD.	TLC Marketing Inc.
Dady & McCoy Sales	Marjon & Associates, Inc.	Total Table Top Plus
Davis & Associates, Inc.	Marketing Agents South, Inc.	TRC Marketing, Inc.
Downing Management	Midwest Professional Reps, Inc.	Tri-State Marketing Associates
DRC Marketing Group	Miller & Associates	Vader & Landgraf, Inc.
E. Ruff & Associates, Inc.	Mirkovich - Casper	Veitch Group
Eaton Marketing Associates, Inc.	North Star Agency, LLC	Viola Group
Equipment Preference, Inc. (E.P.I.)	ONE SOURCE	Voeller & Associates, Inc.
E-Source, Inc.	Paglio & Associates, Inc.	W. D. Colledge Co., Ltd.
Ettinger-Rosini & Associates, Inc.	PB & J Commercial Agents	Walter Zebrowski Associates
Finn Marketing Group	Pecinka Ferri Associates	Waypoint Commercial Solutions
Florida Agents, Inc.	Performance Reps Northwest, Inc.	WB Marketing LLC
FOCUS Hospitality Sales	Permul Ltd.	West Coast Food Service Marketing
Food Equipment Sales & Marketing Agents, Inc. (FESMA)	Posternak Bauer Aitkenhead Cantamessa	Woolsey & Associates, Inc.
Food Service Systems	Preferred Marketing Agents, Inc.	Wyllie Marketing
Forbes, Hever & Wallace, Inc.	Preferred Marketing Group	YBR Marketing, Inc.
Gabriel Group, Inc.	Premier Equipment Group, Inc.	York Hospitality & Gaming, Inc.
Gibbs & Associates, Inc.	Premier Marketing Group, Inc.	Young Equipment Solutions, Inc.
GMV Sales	Pro Foodservice Reps Limited	Zink Foodservice
Greenwald Sales & Marketing	Pro/Line Marketing, Inc.	

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### MAFSI Barometer Indicates Industry Growth Rate Cut in Half; Restaurant Growth is Sluggish

The MAFSI Business Barometer, for the third quarter of 2017 advanced by +2.6%, short of both a forecasted +3.5% and a second quarter (Q2/17) advance of +3.5%. This reflects a continuing trend over the past 6 quarters of slowing growth after 5 years of healthy gains between +4% and +5%. A further decrease in the growth rate to +2.4% is forecast for Q4/17.

By product type, the Q3/17 overall growth broke down as follows: Furniture +4.1%, Supply +2.8%, Equipment +2.6% and Tabletop +1.8%. By region, the gains varied from +5.8% Canada, +3.5% South, +2.8% Midwest, +1.2% Northeast, and +0.7% in the West.

Further evidence of slower growth ahead can be seen in the fact that 30% reported more quoting activity versus 46% more in both Q2/17 and Q1/17. Consultant activity is slowing down as well at 26% more versus 33% more in Q2/17 and 37% more in Q1/17.

In summary, virtually every metric surveyed by MAFSI reflects slower growth. While still positive in the mid-two percent range, this is half of the level that became the industry norm over the past 6 years.

While some of the third quarter drop-off might be attributable to the fall hurricanes that affected Texas, Florida and the Caribbean, there are greater storm clouds on the horizon. NRA reports growth in just 4 of the last 22 month. Saturation in many markets is a major problem as chain restaurants grew at twice the rate of population over the past 20 years. Quick service restaurants particularly in shopping mall locations are hurting as store purchases shift to e-commerce.

NPD recently published a report "Losing our Appetite for Restaurants" which comments on 6 quarters of no growth for the first time since the recession of 08/09.

On the other hand, many segments of foodservice are quite healthy such as Meal Kit Delivery (think inside the box), B&I, Health and Senior Care, Supermarkets, Stadiums, K-12 and College & University and trendy micro-restaurant chains in major cities.

Executive Summary written by Michael Posternak, PBAC, Eastchester, NY  
 mp@pbacrep.com

### Qtrly Sales Forecast for North America

**Q4/17 vs. Q4/16**  
**2.4%**

### Yearly Sales Forecast for North America

**2018 vs. 2017**                      **2017 vs. 2016**  
**3.7%**                                      **4.4%**

### Quoting Activity for Q3/17 vs. Q2/17

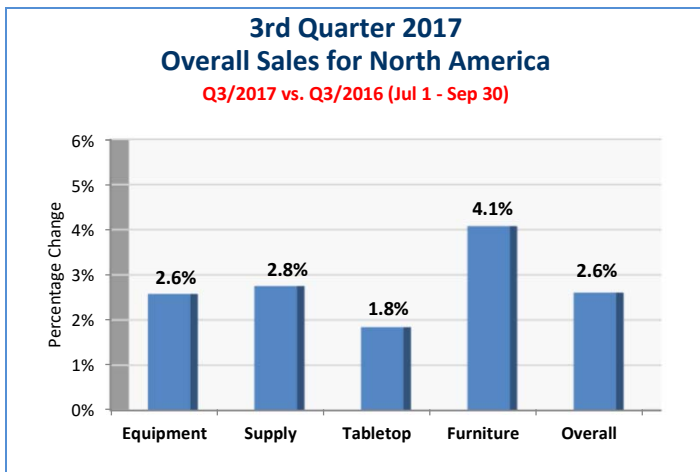
<b>More</b>	<b>Less</b>	<b>No Change</b>
<b>30%</b>	<b>26%</b>	<b>44%</b>

### Consultant Activity for Q3/17 vs. Q2/17

<b>More</b>	<b>Less</b>	<b>No Change</b>
<b>26%</b>	<b>15%</b>	<b>59%</b>

### Jan San Sales for Q3/17 vs. Q3/16

<b>Equipment</b>	<b>Supplies</b>	<b>Disposables</b>
<b>3.6%</b>	<b>3.1%</b>	<b>1.5%</b>



\*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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**Q4/17 vs. Q4/16 Sales Percentage Change Forecast by Region**

4th Quarter 2017 compared to 4th Quarter 2016 (Oct 1 - Dec 31)

<b>Northeast</b> 0.9%	<b>South</b> 2.7%	<b>Midwest</b> 2.5%	<b>West</b> 1.3%	<b>Canada</b> 4.9%
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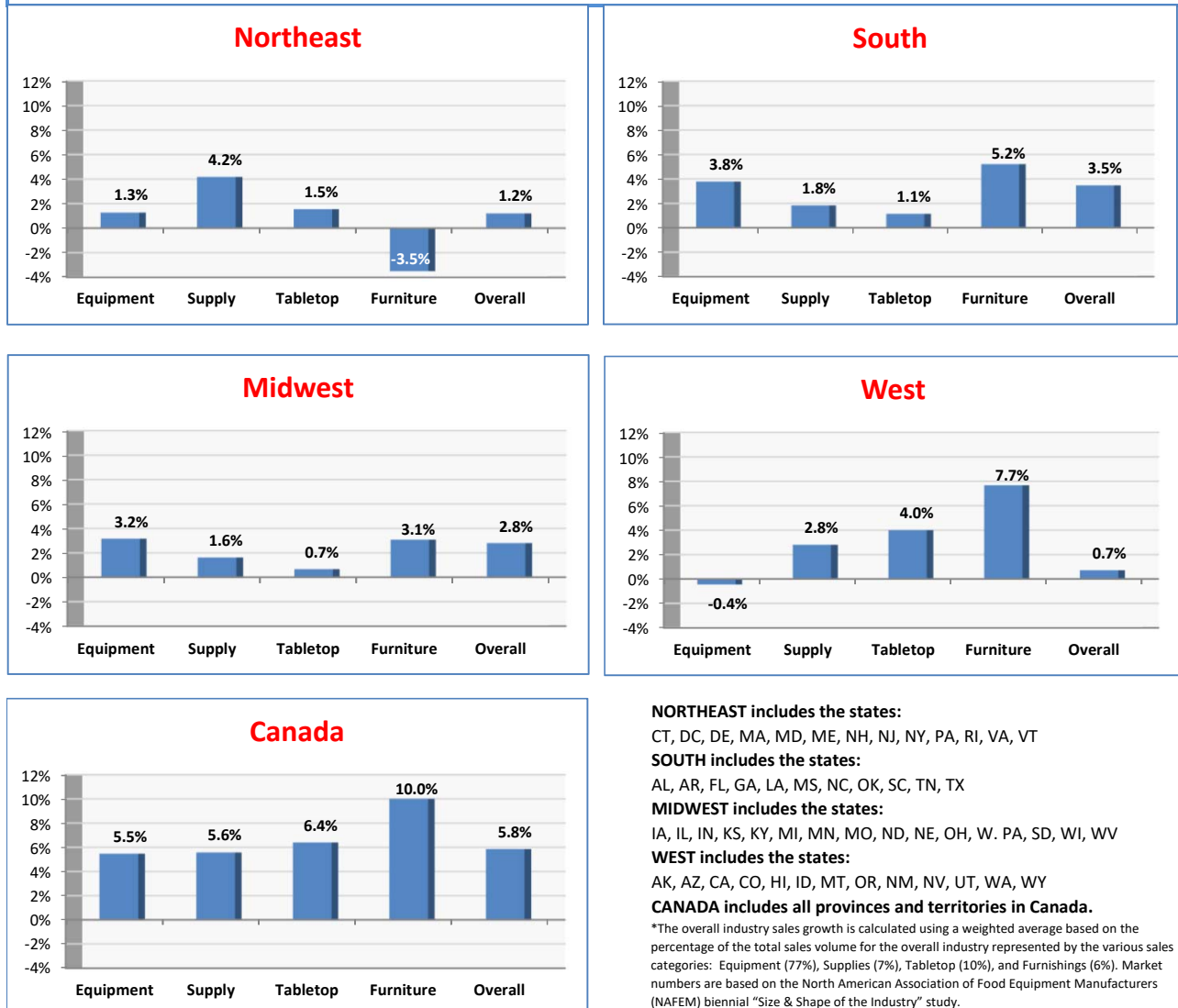
**2018 vs. 2017 Overall Sales Forecast by Region**

Compared to Overall Sales for 2017

<b>Northeast</b> 4.3%	<b>South</b> 3.6%	<b>Midwest</b> 3.5%	<b>West</b> 3.4%	<b>Canada</b> 4.6%
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**3rd Quarter 2017 Sales Percentage Change by Region**

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

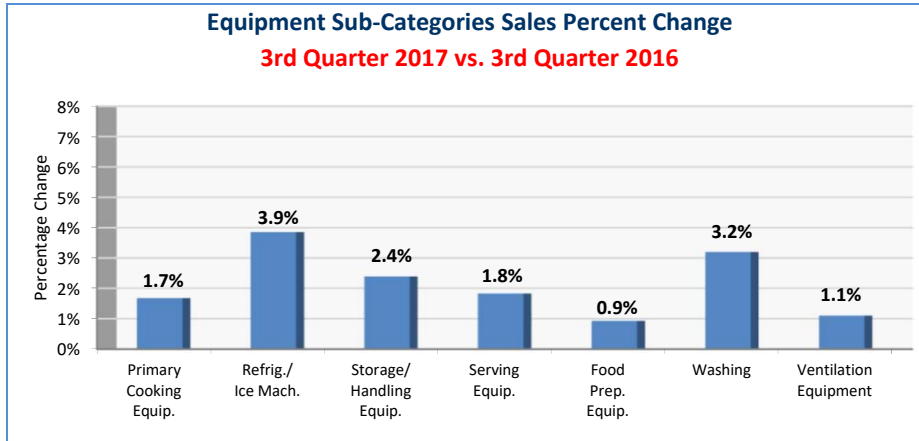
**CANADA** includes all provinces and territories in Canada.

\*The 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 (7%), Tabletop (10%), and Furnishings (6%). Market numbers are based on the North American Association of Food Equipment Manufacturers (NAFEM) biennial "Size & Shape of the Industry" study.



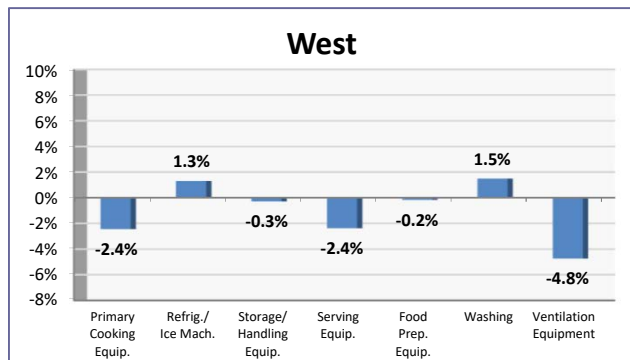
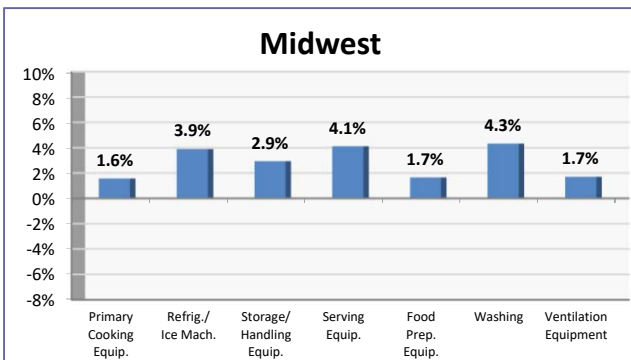
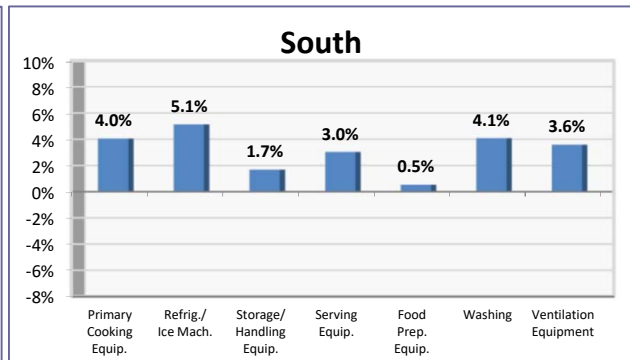
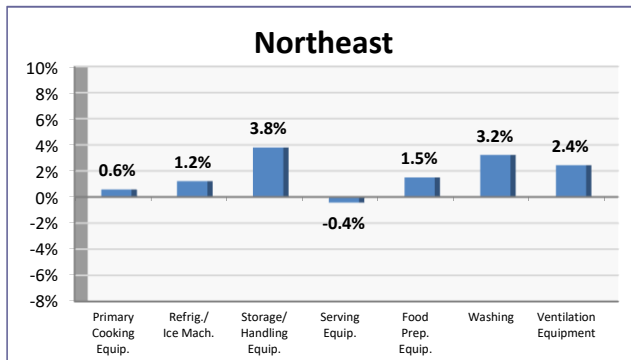
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**Q3/2017 Equipment Sub-Categories Business Barometer**



**Equipment Sub-Categories Sales Percent Change by Region**

3rd Quarter 2017 compared to 3rd Quarter 2016 (Jul 1 - Sep 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:**

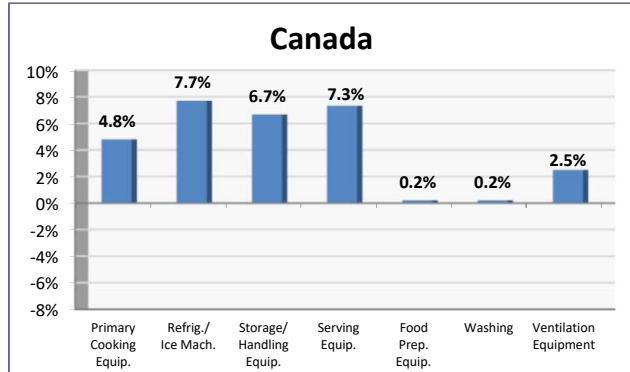
IA, IL, IN, KS, KY, MI, MN, MO, ND, NE, OH, W. PA, SD, WI, WV

**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 (25%), Refrigeration/Ice Machines (32%), Storage/Handling (9%), Serving (16%), Food Prep (7%), Warewashing (11%) from the (NAFEM) biennial "Size & Shape of the Industry" study. Ventilation not weighted.



PLEASE NOTE: The Business Barometer Report is compiled for the exclusive use of the participating companies and MAFSI members. Oral or written disclosure or publication of the confidential aggregate report, in whole or in part, by the participating companies or MAFSI staff to anyone other than authorized participating companies is expressly prohibited.



## Business Barometer Category Product List

MAIN CATEGORIES	
Equipment <b>Please note:</b> as of Q315, "Thermometers and Temperature Monitoring Devices" (previously in Food Preparation Equipment) are now in Supplies.	Food Preparation Equipment, Primary Cooking Equipment, Refrigeration & Ice Machines, Serving Equipment, Storage & Handling Equipment, Ventilation, Warewashing & Sanitation Equipment
Supplies <b>Please note:</b> as of Q315, "Menu and Message Boards" (previously calculated in Supplies) are now in Tabletop.	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 <b>Please Note,</b> 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
Ventilation	Appliance Connectors, Grease/Exhaust Filters, Grease Interceptors, Fire Suppression Systems/Fire Extinguishers, HVAC - Exhaust Systems, Fans, Utility Distribution Systems, Ventilation & Hoods
Janitorial & Sanitation Lines	
<b>New!</b> Janitorial & Sanitation Equipment	Air Blowers/Carpet Dryers, Air Filtration Equipment, Bathroom Stall Doors, Cabinet Bases, Dehumidifying Equipment, Drain Pipes, Eye Wash Stations, Faucets and Faucet Systems, Pressure Washing Systems, Restroom Partitions/Stalls, Floor Scrubbers, Sinks, Toilets, Toilet Flushing Systems, Urinals, Waste Compactors, Waste Disposal Systems
<b>New!</b> Janitorial & Sanitation Supplies	Baby Changing Stations, Brooms, Dusts Mops, etc., Brushes (Equipment Cleaning Brushes, Scouring Pads, etc.), Can & Bottle Crushers, Carpet Sweepers, Vacuums, Floor & Carpet Care Products, Carts (Janitorial), Cloths Microfiber, Drainboards, Hand Dryers, Mats (Anti-Fatigues, Bar, Rubber, etc.), Mops, Buckets & Pails, Odor Control Chemicals & Devices, Paper Towel Dispensers, Soaps and Hand Sanitizers, Soap Dispensers, Stall Storage Systems, Toilet Paper and Sanitary Dispensers, Waste Bins & Recycling Containers
<b>New!</b> Disposables	Disposable: Catering Trays and Serving Ware, Cloths Non-Woven, Concession Food Bags, Eco-Friendly Cups, Bowls, Flatware, Lids and Plates, Deli Food Safety Labels, Food Trays & Lids, Foam Food Cups, Bowls and Plates, Gloves, Garbage Bags, Paper Napkins, Paper Cups, Lids and Plates, Placemats (Disposable), Plastic Barware, Plastic Cups, Plates and Lids, Plastic Flatware, Take-Out Containers, Trash Can Liners