



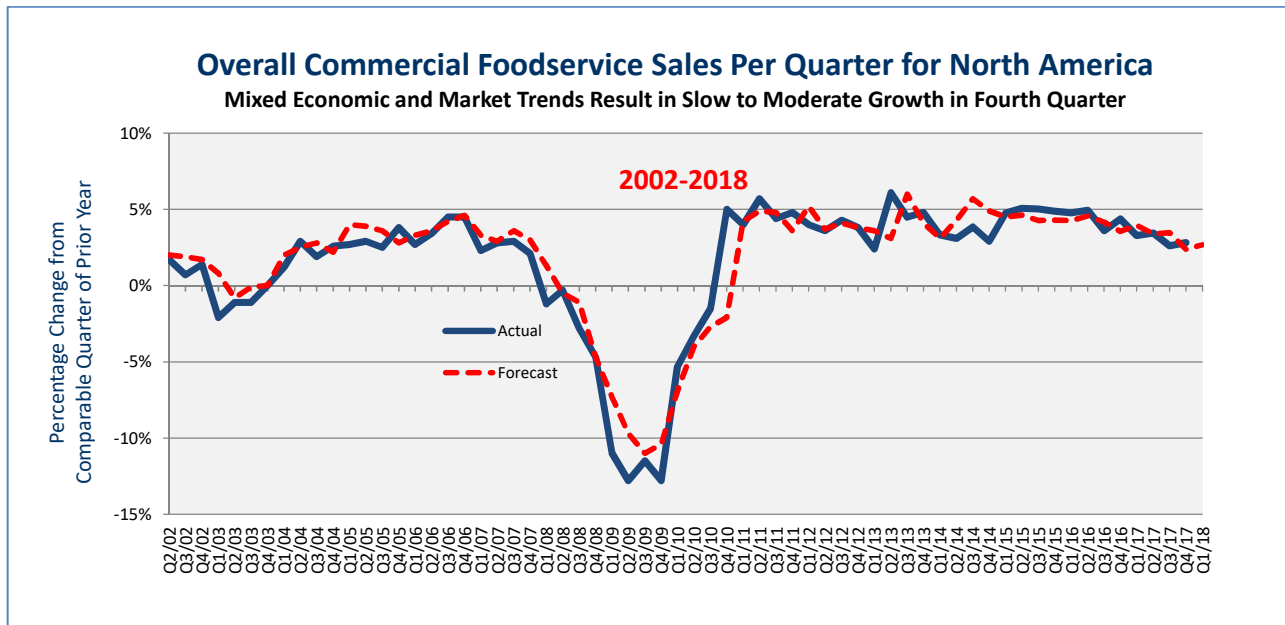
The commercial foodservice industry's most definitive non-food sales/trend indicator
Q4/2017 Foodservice Business Barometer Report

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

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



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Mixed Economic and Market Trends Result in Slow to Moderate Growth in Fourth Quarter

The MAFSI Business Barometer for the fourth quarter of 2017 advanced by +2.8%, a bit better than +2.6% of Q3/17 and a couple of bits better than the +2.4% that had been forecast for Q4/17. Continuing this soft trend, MAFSI Reps have forecast +2.7% for Q1/18. After 6 years of 4.0% to 5.5% annual growth, we are now re-adjusting to a new norm of nearly half that former level, now in the mid two percent range.

By product type, the Q4/17 overall growth broke down as follows: Supply +3.1%, both Equipment and Furniture +2.9%, and Tabletop +2.1%. Results varied widely by region, from a leading gain of +5.5% in Canada, to +3.6% in the South, +2.8% in the Midwest, +1.7% in the West, and trailed by only +1.6% in the Northeast.

More positive metrics were measured in both Quoting and Consultant activity levels. More Quoting expanded to 44% from 30% while more Consultant activity grew to 34% from 26% in the prior quarter.

Mixed economic signals are the cause of the current market confusion. Good news like rising employment and improved wages lead to wild stock market gyrations of 500 to 1,000 point movements. Business favorable tax reform is counter-balanced by the apparent loss of business entertainment for meals, clubs, and sports tickets. Less expansion in the Limited Service Restaurant area is offset by stronger results in K-12 and Healthcare. Only time will tell what the sum net total of so many simultaneous changes in performance will be.

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

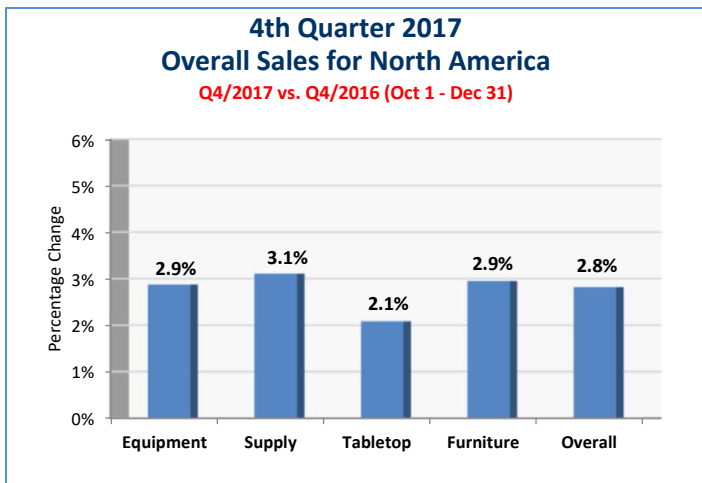
Qtrly Sales Forecast for North America
Q1/18 vs. Q1/17
2.7%

Yearly Sales Forecast for North America
2018 vs. 2017 **2017 vs. 2016**
3.7% **4.4%**

Quoting Activity for Q4/17 vs. Q3/17
More **Less** **No Change**
44% **18%** **38%**

Consultant Activity for Q4/17 vs. Q3/17
More **Less** **No Change**
34% **12%** **54%**

Jan & San Sales for Q4/17 vs. Q4/16
Equipment **Supplies** **Disposables**
3.3% **2.7%** **2.2%**



*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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Q1/18 vs. Q1/17 Sales Percentage Change Forecast by Region

1st Quarter 2018 compared to 1st Quarter 2017 (Jan 1 - Mar 31)

Northeast 1.1%	South 3.4%	Midwest 2.6%	West 2.9%	Canada 3.1%
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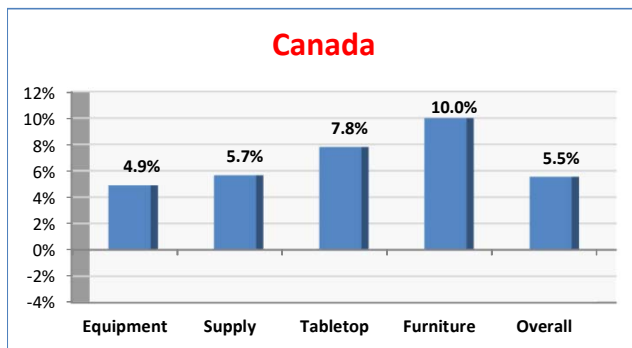
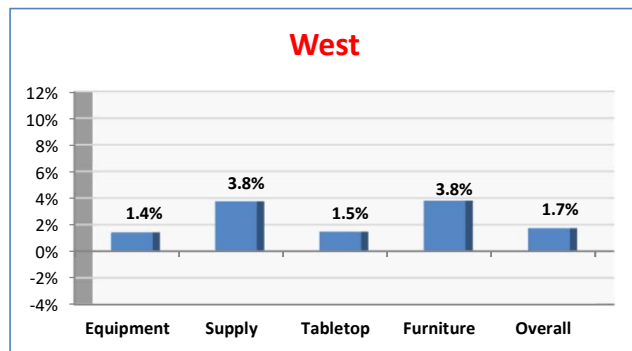
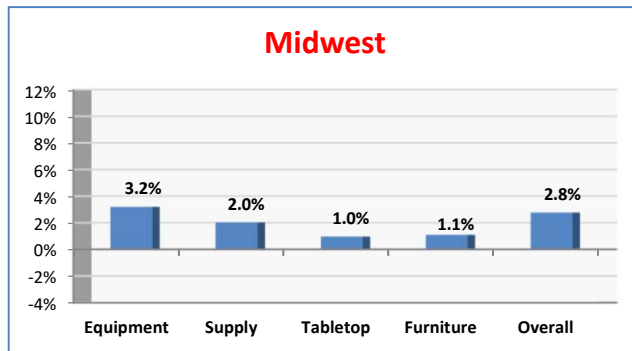
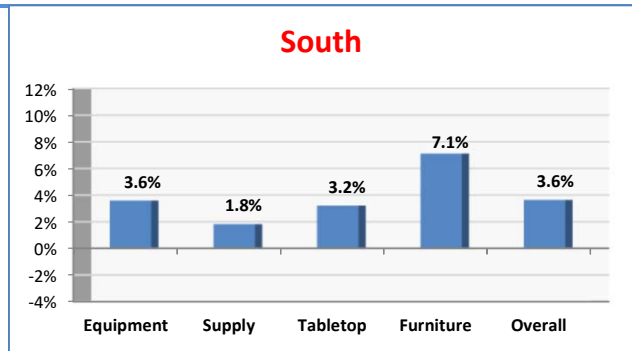
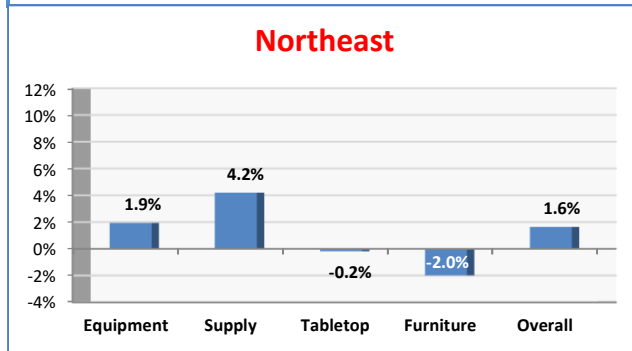
2018 vs. 2017 Overall Sales Forecast by Region

Compared to Overall Sales for 2017

Northeast 4.3%	South 3.6%	Midwest 3.5%	West 3.4%	Canada 4.6%
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4th Quarter 2017 Sales Percentage Change by Region

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



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

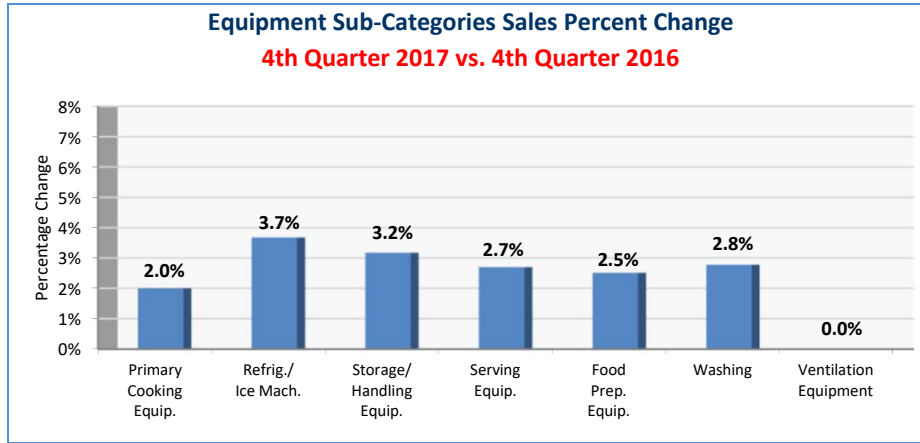
CANADA includes all provinces and territories in Canada.

*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.



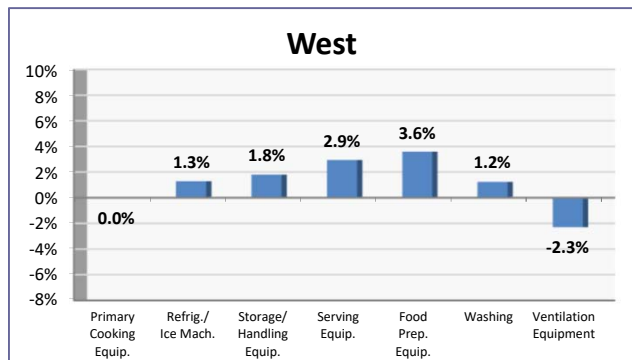
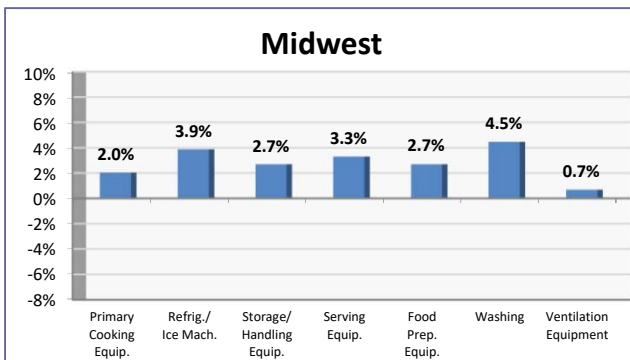
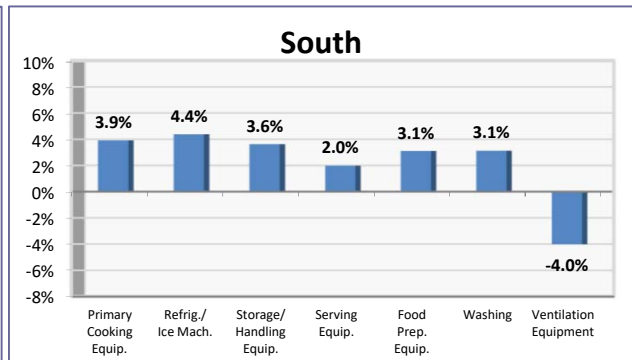
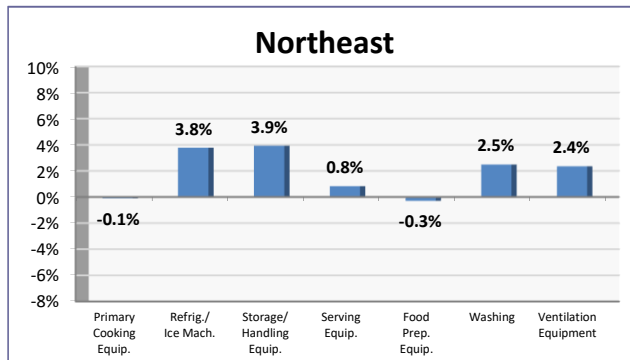
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Q4/2017 Equipment Sub-Categories Business Barometer



Equipment Sub-Categories Sales Percent Change by Region

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



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:

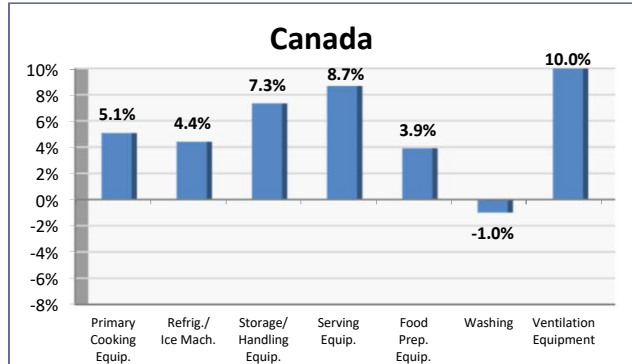
IA, IL, IN, KS, KY, MI, MN, MO, ND, NE, OH, W. PA, SD, WI, WV

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 Please note: 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 Please note: 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, Serveware, 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
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	
New! 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
New! 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
New! 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