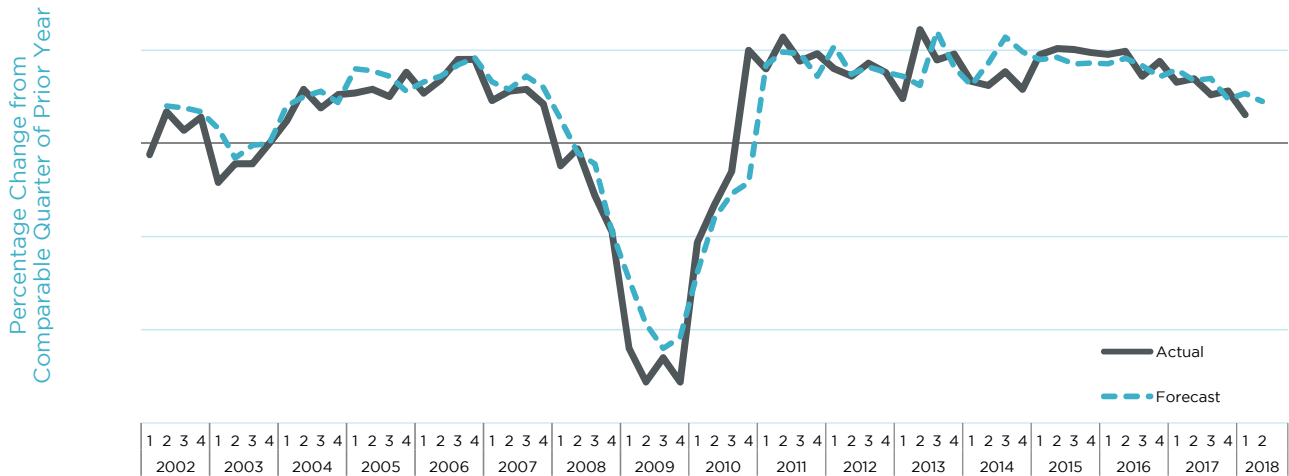


Overall Commercial Foodservice Sales Per Quarter for North America MAFSI Reps Report Slower Growth in First Quarter; Forecast is for Better Results Ahead



MAFSI Reps Report Slower Growth in First Quarter; Forecast is for Better Results Ahead

The MAFSI Business Barometer for the first quarter of 2018 recorded modest growth of only +1.5% overall. This marked the seventh straight quarter of slower growth and the weakest quarterly gain since Q3/10. Nevertheless, this somewhat slim advance kept the MAFSI Business Barometer in positive territory.

By product type, the Q1/18 results were as follows: Tabletop +2.8%, Furniture +2.4%, Equipment +1.4% (versus +2.9% last quarter), and supply +0.9%.

By region, results were consistently sluggish with Canada at +2.1%, Midwest +2.0%, The South at 1.8%, West at 1.1% trailed by the Northeast at a skimpy +0.6%. A closer look at product sub-categories reveals negative results in some territories i.e. Ventilation in the South at -5.3% and Cooking Equipment in the Northeast at -3.2%.

Somewhat better results are forecasted for Q2/18 at +2.2%. The pipeline is steady with 44% of reps reporting more quoting activity and 37% more Consultant activity.

The slower growth seems to be affected by the actions of many Quick Serve Restaurant chains where closings are outnumbering new openings at several major concepts, due to over-expansion and changing consumer tastes, particularly amongst millennials. The economy is strong, however, as evidenced by the lowest jobless rate since 2000 and before that, 1970, both at 3.9%. Corporate earnings are healthy, fueled by core business strength and tax cuts.

Mid-year price increases have been announced by many manufacturers, as a result of steel and aluminum tariffs and nickel price swings. Price increases tend to advance orders and should have a positive effect on Q2/18 and Q3/18 results.

Since its inception in 2002 and over 65 quarters there-after, the MAFSI Business Barometer has been exceptionally accurate in predicting the direction of the Foodservice market. It seems to be indicating a better quarter ahead at +2.2% fueled by a steady pipeline of both quotes and specifications. In 16 years of forecasting, MAFSI reps haven't missed yet.

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

Qtrly Sales Forecast for North America
Q2/18 vs. Q2/17
2.2%

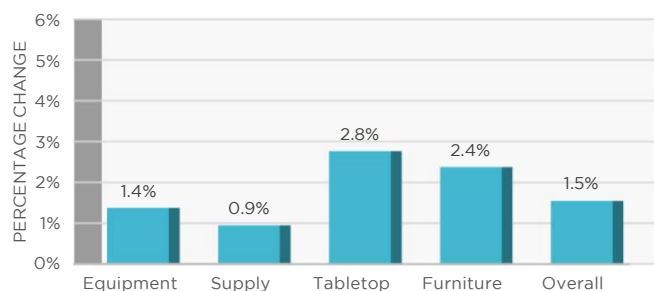
Yearly Sales Forecast for North America
2018 vs. 2017 2017 vs. 2016
3.7% 4.4%

Quoting Activity for Q1/18 vs. Q4/17
More Less No Change
44% 19% 38%

Consultant Activity for Q1/18 vs. Q4/17
More Less No Change
37% 12% 51%

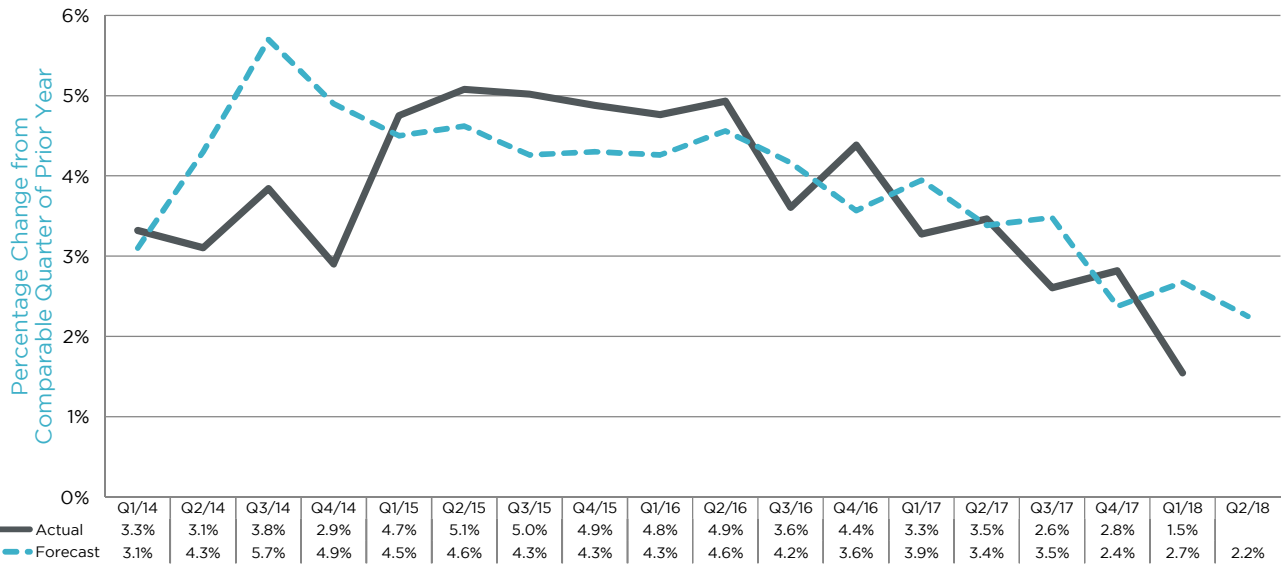
Jan San Sales for Q1/18 vs. Q1/17
Equipment Supplies Disposables
4.9% 2.6% 1.8%

1st Quarter 2018 Overall Sales for North America Q1/2018 vs. Q1/2017 (Jan 1 - Mar 31)

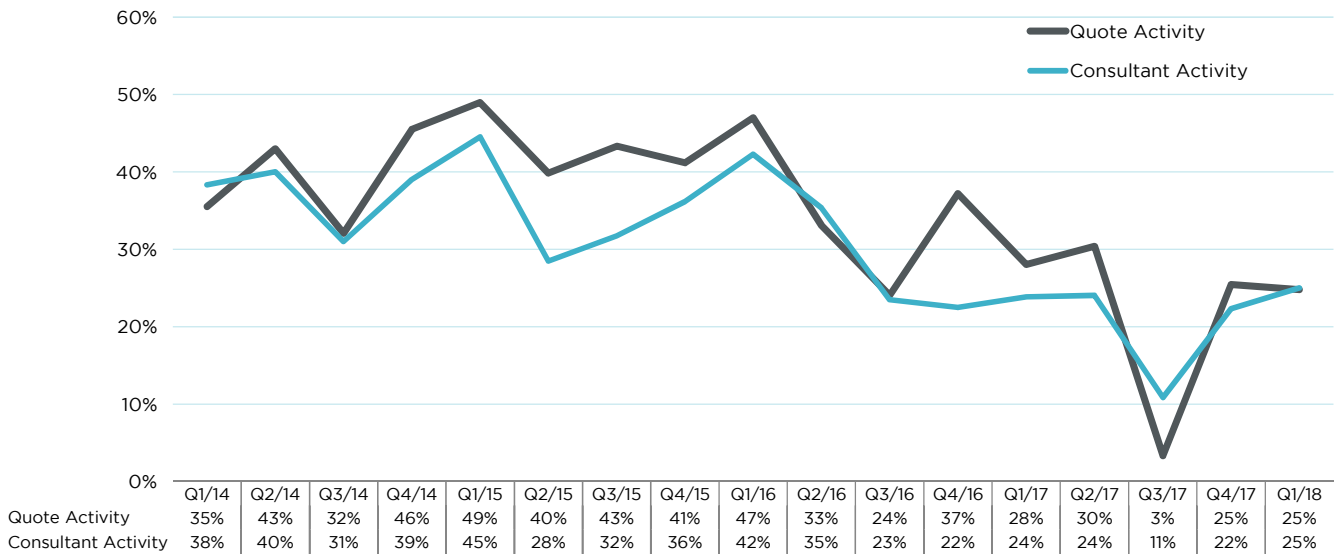


*The overall industry sales growth is calculated using a weighted average based on the percentage of the total sales volume for the overall industry represented by the various sales categories: Equipment (77%), Supplies (6%), Tabletop (11%), and Furnishings (6%). Market numbers are based on the North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

Overall Commercial Foodservice Sales Per Quarter for North America 2014 - 2018



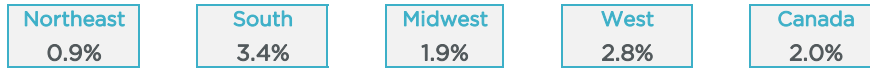
Quotation and Consultant Activity



Note: This graph reports the difference between those reporting more activity vs. those reporting less activity.

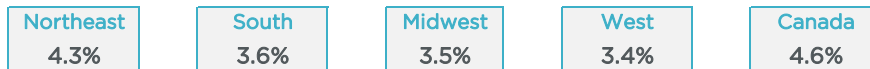
Q2/18 vs. Q2/17 Sales Percentage Change Forecast by Region

2nd Quarter 2018 compared to 2nd Quarter 2017 (Apr 1 - Jun 30)



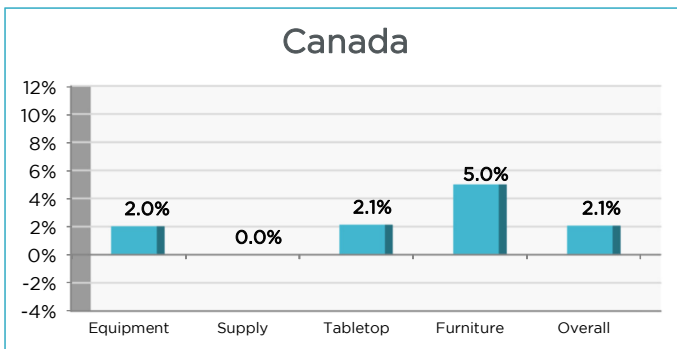
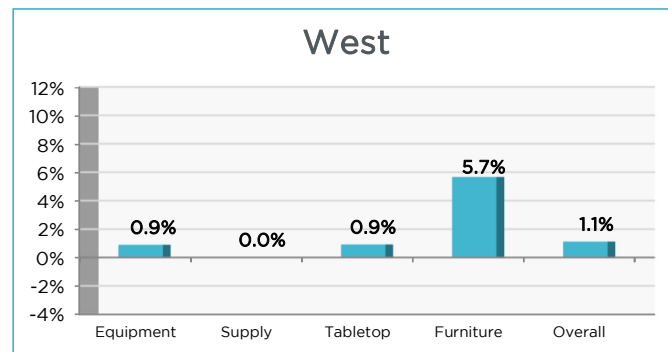
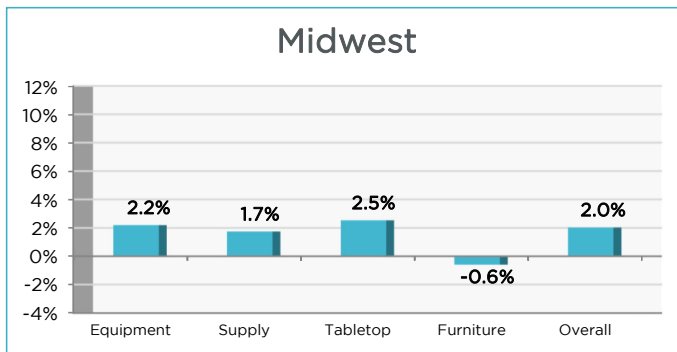
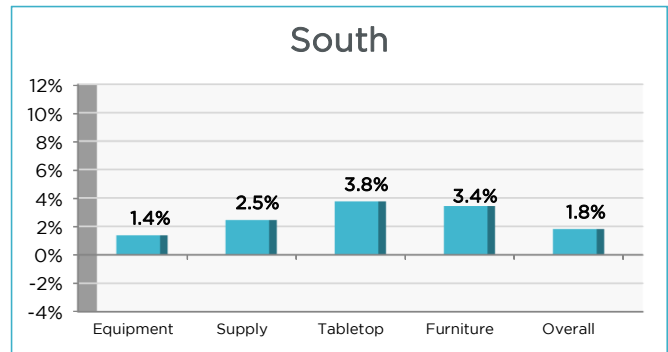
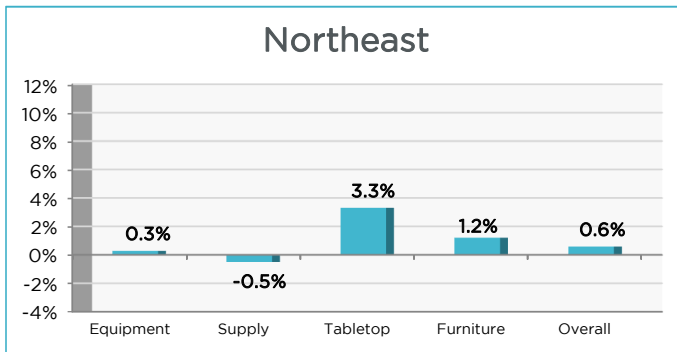
2018 vs. 2017 Overall Sales Forecast by Region

Compared to Overall Sales for 2017



1st Quarter 2018 Sales Percentage Change by Region

1st Quarter 2018 compared to 1st Quarter 2017 (Jan 1 - Mar 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:

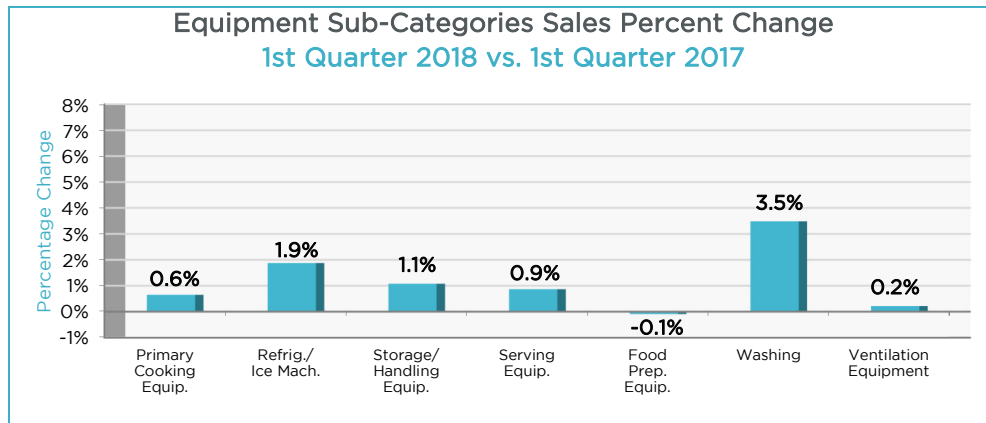
IA, IL, IN, KS, KY, MI, MN, MO, ND, NE, OH, W. PA, SD, WI, WV

WEST includes the states:

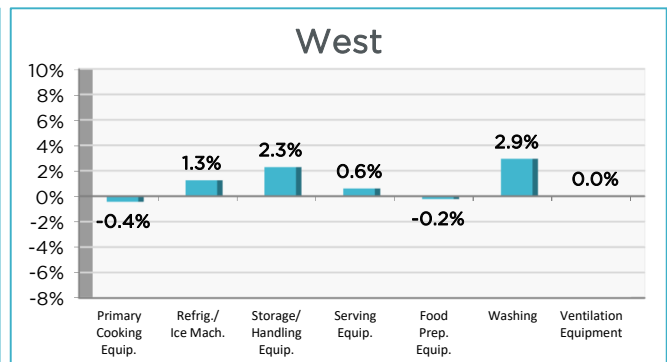
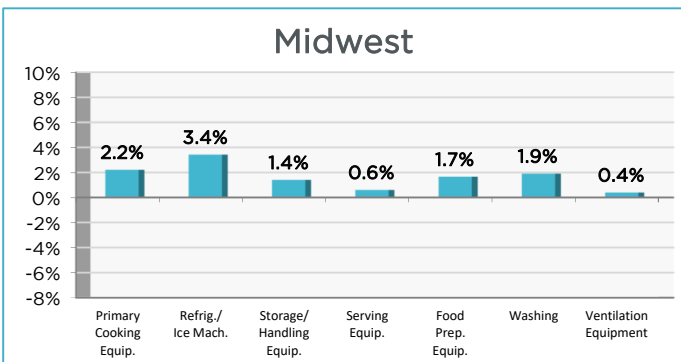
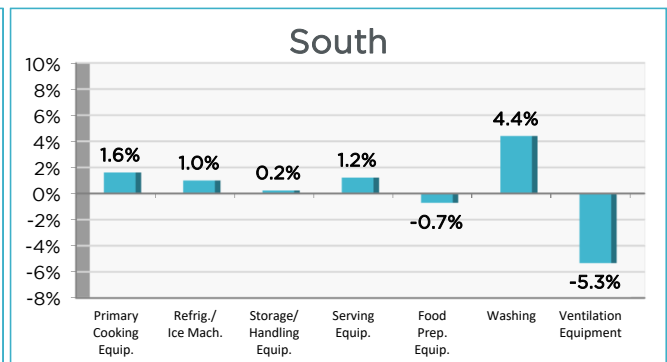
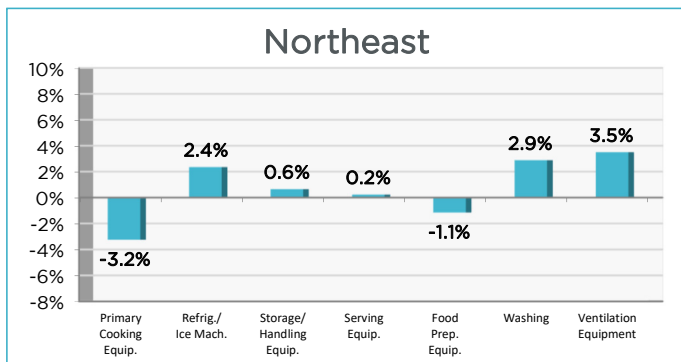
AK, AZ, CA, CO, HI, ID, MT, OR, NM, NV, UT, WA, WY

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.



Equipment Sub-Categories Sales Percent Change by Region 1st Quarter 2018 compared to 1st Quarter 2017 (Jan 1 - Mar 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:

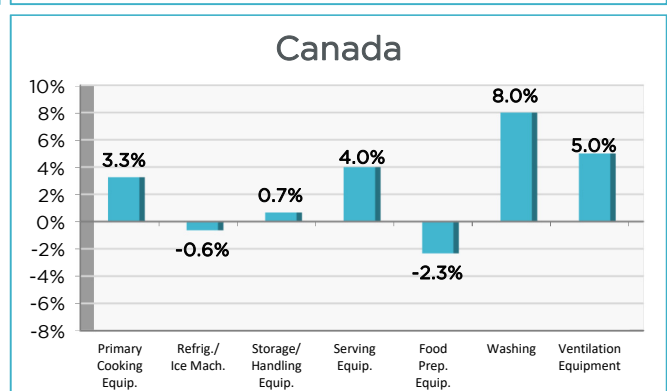
IA, IL, IN, KS, KY, MI, MN, MO, ND, NE, OH, W. PA, SD, WI, WV

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.

MAIN CATEGORIES	
Equipment <i>Please note:</i> 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 <i>Please note:</i> 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 <i>Please Note,</i> 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



*The commercial foodservice industry's
most definitive non-food sales/trend indicator*

Q1/2018 Foodservice Business Barometer Report

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

Advantage Marketing Group	Gabriel Group, Inc.	Pro/Line Marketing, Inc.
Agences Hamilton Agencies	Gibbs & Associates, Inc.	Professional Manufacturers Representatives, Inc. (PMR)
Anderson Foodservice Solutions	GMV Sales	Pro-Pacific Agents, Inc.
Apex Commercial Kitchen Co.	Greenwald Sales & Marketing	Pro-Quip Foodservice Equipment & Supplies Incorporated
Apex Marketing	Griffin Marketing Group, Inc.	R. Henry & Associates
ARB Sales and Marketing	Hanna-Young & Assoc., Inc.	Redco Foodservice Equipment, LLC
B Square Enterprises	High Sabatino Associates	Schmid-Dewland Associates
Barringer Marketing, Inc.	HODAK Sales	Shamrock Foodservice Equipment Reps. Inc
Beacon Sales Group LLC	Hollander Company	Sharkey & Associates
Bob Waite & Associates	HRI, Inc.	South Eastern Manufacturers' Agents, Inc. (SEMA)
Bowerman Management Group	Inform Marketing Group, LLC	Southwest Foodservice Equipment Marketing
Brittan Associates	J. Wilson Marketing Ltd.	Specialized Specialty Equipment Sales Company (SESCO)
C. R. Peterson Associates, Inc.	Johnson Pike & Associates, Inc.	TD Marketing Company, Inc.
Carman-Girard Associates	Kain-McArthur Inc.	The 2Market Group, Inc.
Charles Pace & Associates	KBC Specialty Products, Inc.	The Burlis-Lawson Group
Chrane Foodservice Solutions	Kelly-Mincks	The Fischer Group
Claes & Greenoe Marketing Group	Ken W. Thomson Associates Ltd.	The Hansen Group
Clements-Stella-Gallagher Marketing	KLH Marketing, Inc.	The Pantano and Pinilla Agency, Inc.
CLV Marketing	Koehler-Borden & Associates, Inc.	The Wallin Group, Inc.
Collis Group, Inc.	Lake Effect Sales & Marketing	The Yes Group
Commercial Kitchen Reps, Inc.	Lehr McKeown Marketing, Inc.	Thormann Associates
Copperfield Agencies Limited	Lund-Iorio, Inc.	TLC Marketing Inc.
Courtney Marketing, Inc.	M2 Foodservice Representatives LLC	Total Table Top Plus
Cowan Associates	MAC Sales & Marketing LTD.	Tri-State Marketing Associates
Davis & Associates, Inc.	Marjon & Associates, Inc.	Vader & Landgraf, Inc.
Desert Peak Marketing	Marketing Agents South, Inc.	Veitch Group
Downing Management	Midwest Professional Reps, Inc.	Viola Group
DRC Marketing Group	Miller & Associates	Voeller & Associates, Inc.
E. Ruff & Associates, Inc.	Mirkovich - Casper	W. D. Colledge Co., Ltd.
Eaton Marketing Associates, Inc.	ONE SOURCE	Walter Zebrowski Associates
Equipment Preference, Inc. (E.P.I.)	PB & J Commercial Agents	Waypoint Commercial Solutions
Equipment Solutions, Inc.	PBAC & Associates LTD	West Coast Food Service Marketing
E-Source, Inc.	Pecinka Ferri Associates	WolfePack Sales & Marketing, Inc.
Ettinger-Rosini & Associates, Inc.	Performance Reps Northwest, Inc.	Wyllie Marketing
Florida Agents, Inc.	Permul Ltd.	YBR Marketing, Inc.
FOCUS Hospitality Sales	Preferred Marketing Group	
Food Equipment Sales & Marketing Agents, Inc. (FESMA)	Premier Equipment Group, Inc.	Zink Foodservice
Foodservice Equipment Agents, LLC	Premier Marketing Group	
Forbes, Hever & Wallace, Inc.	Premier Marketing Group, Inc.	