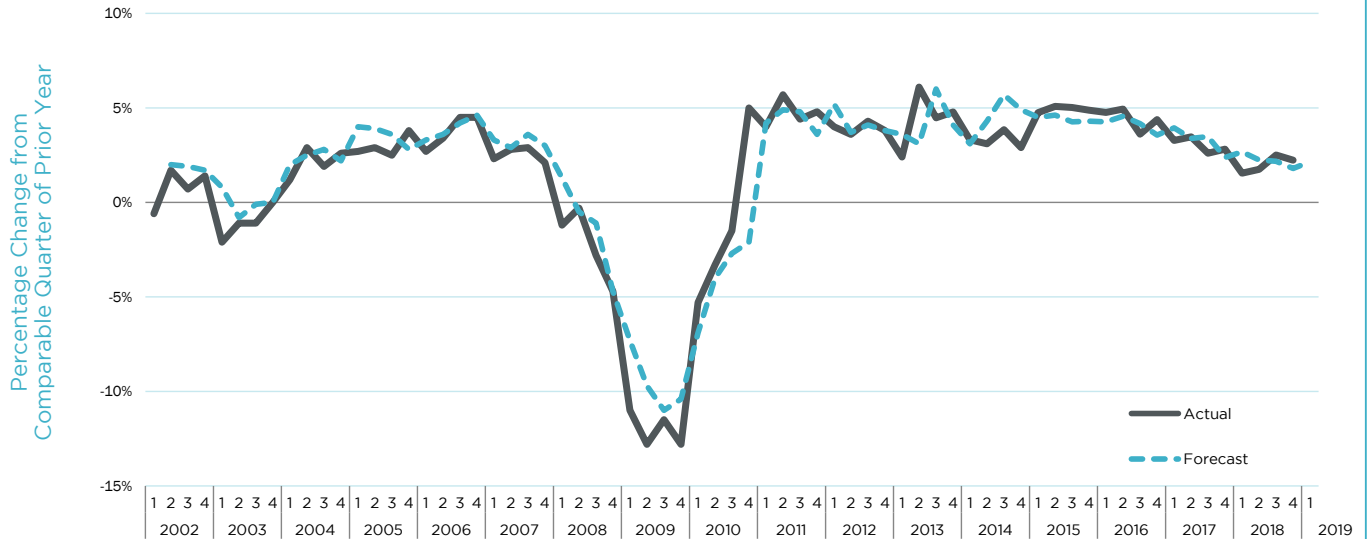




The commercial foodservice industry's most definitive non-food sales/trend indicator

Q4/2018 Foodservice Business Barometer Report

Overall Commercial Foodservice Sales Per Quarter for North America
MAFSI Business Barometer ends 2018 with slow growth. Growth of +2.2% for Q1 2019.



MAFSI Business Barometer ends 2018 with slow growth. Growth of +2.2% for Q1 2019.

The MAFSI Business Barometer remained in positive territory for Q4 2018 with an overall growth of +2.2%, down from +2.5% in Q3 2018. The modest growth represented the 39th consecutive quarter of increased sales. Eight and a half years of growth without one negative quarter is the longest upward run in the almost 20-year history of the Barometer.

By product type, Tabletop grew by +2.5%, Equipment +2.3%, Supplies +1.5%, and Furniture +1.3%.

Regional growth was led by the South at +3.4%, Canada +2.6%, the Midwest at +2.3%, and then the Northeast at +1.6%, and the West at +1.5%.

For Q1 2019 MAFSI Reps are forecasting more of the same at +2.2%. This indicates that the industry's long growth trend might be running out of steam.

On the other hand, reps reported more positive measurements for Quoting and Consultant Activity for Q4 2018. Quoting Activity was 46% more and Consultant Activity was 41% more.

After several years of +3-5% growth, the industry has settled into a range of +1.8-2.8% growth, which is more in line with the overall US economy.

Tough weather in many parts of the country will affect first quarter results. Many manufacturers have lofty expectations for 2019, and some lowering of sight might be in order.

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

Qtrly Sales Forecast for North America
Q1/19 vs. Q1/18

2.2%

Yearly Sales Forecast for North America
2019 vs. 2018 2018 vs. 2017

3.4%

3.7%

Quoting Activity for Q4/18 vs. Q3/18

More	Less	No Change
46%	18%	36%

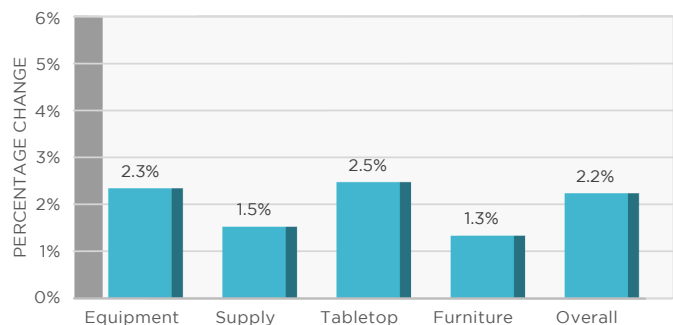
Consultant Activity for Q4/18 vs. Q3/18

More	Less	No Change
40%	10%	50%

Jan San Sales for Q4/18 vs. Q4/17

Equipment	Supplies	Disposables
1.3%	0.0%	1.7%

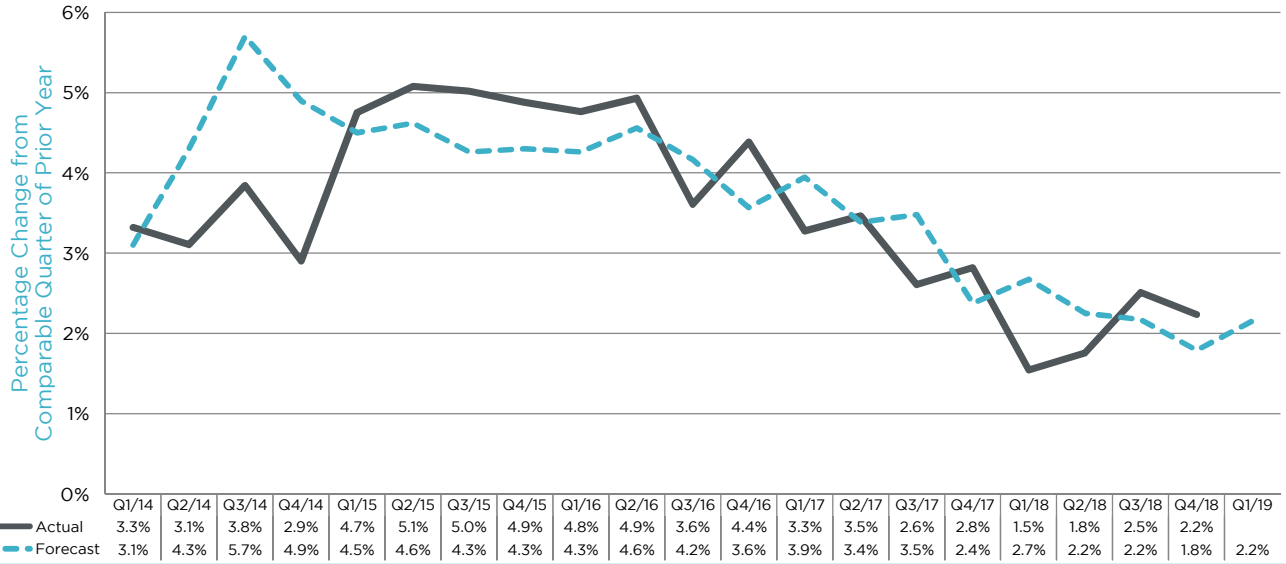
4th Quarter 2018
Overall Sales for North America
Q4/2018 vs. Q4/2017 (Oct 1 - Dec 31)



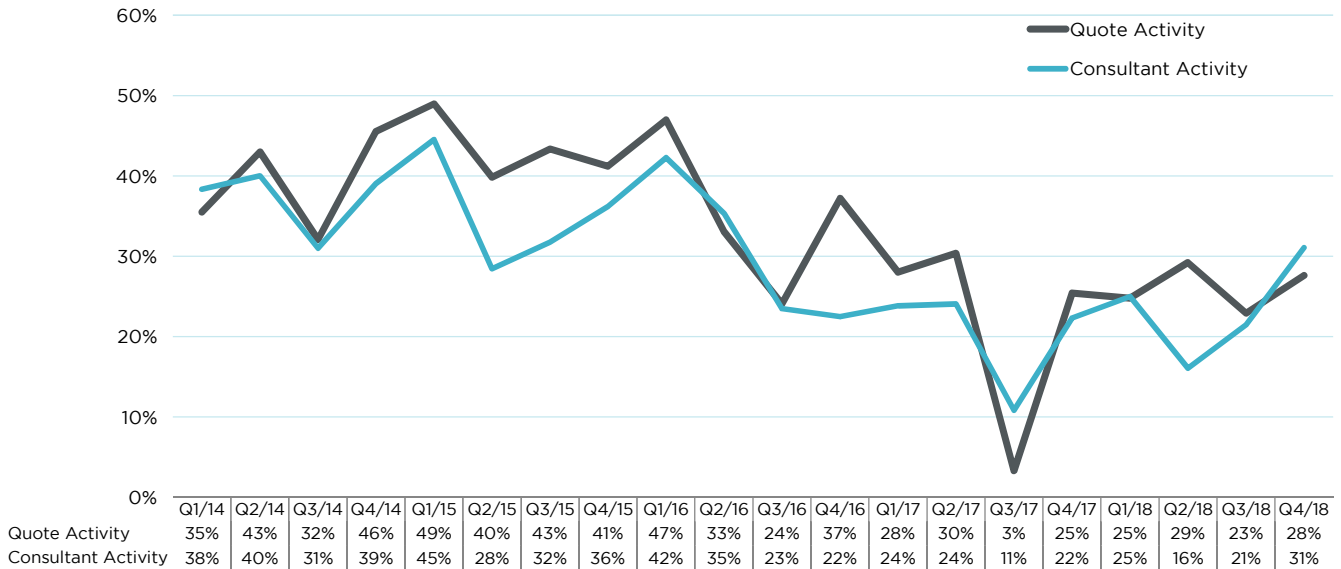
*The overall industry sales growth is calculated using a weighted average based on the percentage of the total sales volume for the overall industry represented by the various sales categories: Equipment (77%), Supplies (6%), Tabletop (11%), and Furnishings (6%). Market numbers are based on the North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



Overall Commercial Foodservice Sales Per Quarter for North America 2014 - 2019



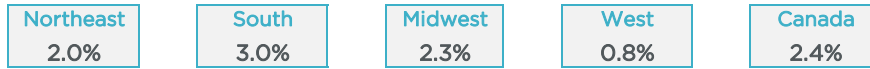
Quotation and Consultant Activity



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

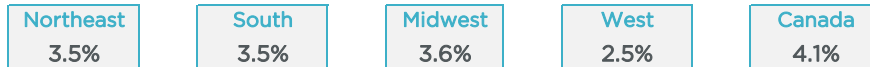
Q1/19 vs. Q1/18 Sales Percentage Change Forecast by Region

1st Quarter 2019 compared to 1st Quarter 2018 (Jan 1 - Mar 31)



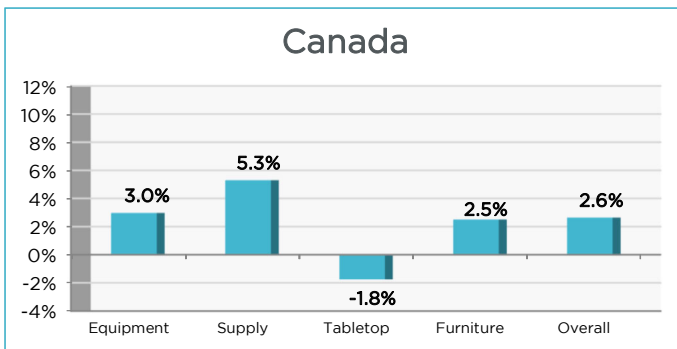
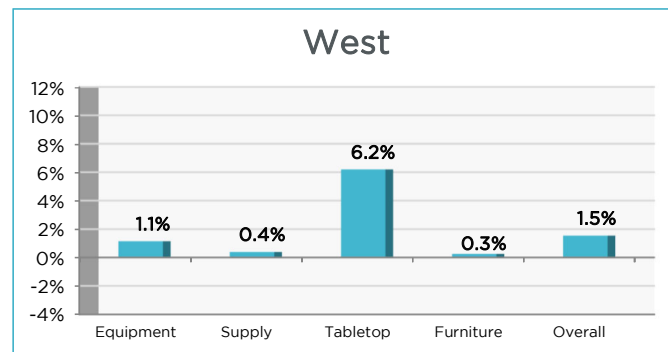
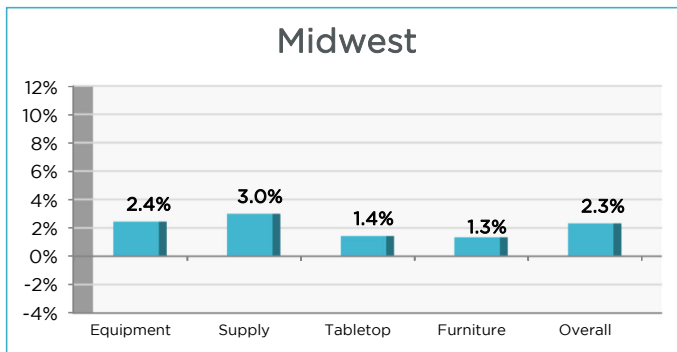
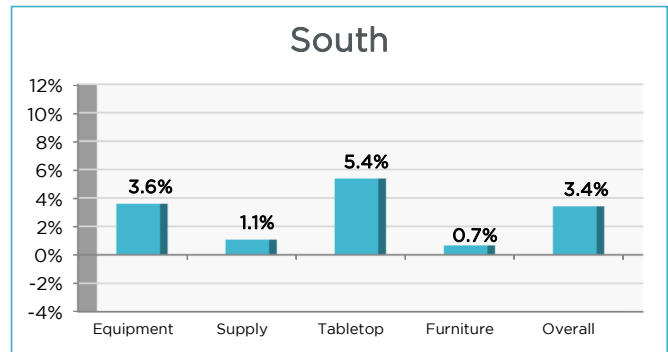
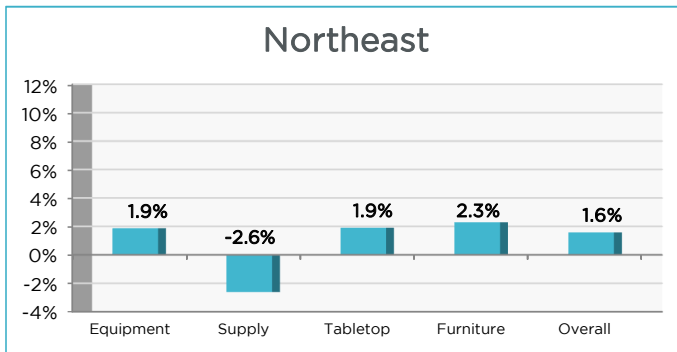
2019 vs. 2018 Overall Sales Forecast by Region

Compared to Overall Sales for 2018



4th Quarter 2018 Sales Percentage Change by Region

4th Quarter 2018 compared to 4th Quarter 2017 (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:

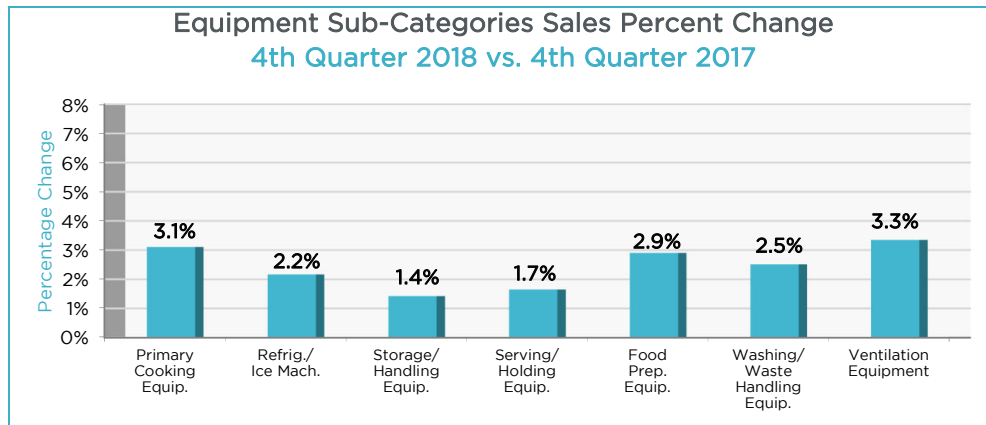
IA, IL, IN, KS, KY, MI, MN, MO, ND, NE, OH, W. PA, SD, WI, WV

WEST includes the states:

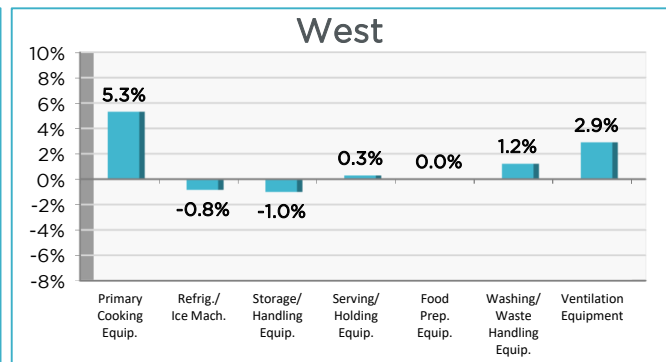
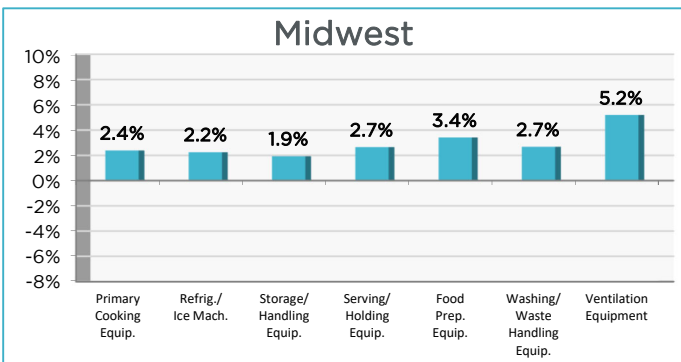
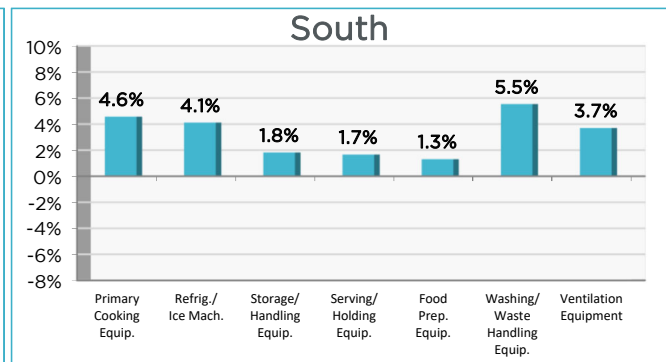
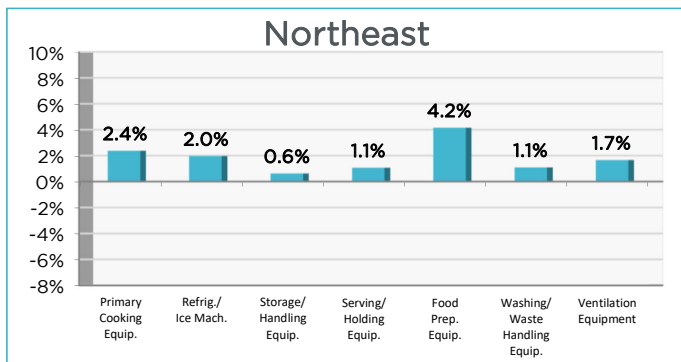
AK, AZ, CA, CO, HI, ID, MT, OR, NM, NV, UT, WA, WY

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.



Equipment Sub-Categories Sales Percent Change by Region 4th Quarter 2018 compared to 4th Quarter 2017 (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:

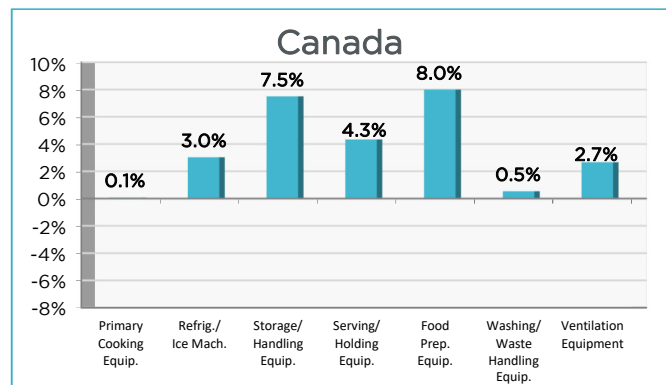
IA, IL, IN, KS, KY, MI, MN, MO, ND, NE, OH, W. PA, SD, WI, WV

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%), Refrigeration (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, Janitorial & Sanitation Equipment, Primary Cooking Equipment, Refrigeration & Ice Machines, Serving & Holding Equipment, Storage & Handling Equipment, Ventilation, Warewashing, Waste Handling Equipment
Supplies <i>Please note:</i> as of Q315, "Menu and Message Boards" (previously calculated in Supplies) are now in Furniture.	Barware, Bakeware, Bins, Bus/Tote Boxes, Buckets (Ice & Wine), Buffetware, Can Openers, Chef Apparel/Shoes, Cleaning Tools, Colanders, Cookware/Pans/Pots, Cutting Boards, Knives/Cutlery Blocks/Sharpeners, Mixing Bowls, Storage Containers, Thermometers/Temperature Measurement/Food Safety, Textiles (Kitchen), Utensils/Tools (Kitchen)
Tabletop	Baskets, Beverage Pitchers/Servers, Candle Holders/Lamps, Candle & Chafing Fuel, Carafes/Decanters, Chafers, Covers, Dinnerware, Drinkware, Flatware, Glassware/Stemware, Linens (Napkins & Tablecloths/Covers), Menu Covers, Salt & Pepper Shakers, Serving Bowls/Plates, Servingware, Trays, Tray Stands
Furniture	Bars (Stationary & Mobile), Benches, Booths, Cabinets (Decor), Chairs, Coat Racks, Drive -Thru/Pass-Thru Windows, Heaters (Patio/Outdoor), Hostess Stands, Menu/Message Boards, Railings & Railings Fittings, Signs/Signage, Stools, Tables, Table Bases, Table Tops, Umbrellas
SUB-CATEGORIES	
Primary Cooking Equipment	Braising Pans, Broilers, Charbroilers, Cook-Chill Systems, Fryers, Griddles, Grills, Hot Dog Grills/Rollers, Microwaves, Oil Filtration Systems, Ovens, Panini Grills, Pasta Cookers, Ranges, Rice Cookers, Smokers, Steam Jacketed Kettles, Steamers, Tilting Skillets, Toasters, Waffle Bakers/Crepe Equipment
Refrigeration & Ice Machines	Air Curtains, Blast Chillers, Compressors, Condensers & Evaporators, Coolers, Doors (Walk-In/Insulated), Drop-In Pan Chillers, Freezers, Ice Cream Cabinets, Ice Machines, Refrigeration, Slush/Smoothie Machines, Soft-Serve Ice Cream/Yogurt Machines, Water Filter Systems
Storage & Handling Equipment	Cabinets, Carts, Conveyor Systems, Covers, Dispensers (non-food), Dollies (Can, Dish, Rack), Food & Ingredient Canisters & Containers, Hand Trucks/Utility Trucks, Meal Delivery Systems, Racks, Receiving Scales, Shelving, Work Tables (Bakers, Cooks, Makeup, Prep, etc.)
Serving & Holding Equipment	Beer Systems, Beverage Dispensers, Carving Stations, Coffee Equipment, Display/Merchandisers, Food Dispensers, Food Shields, Heat Lamps, Kiosks/Mobile Serving Units, Salad/Food Bars, Serving/Buffer Lines, Serving Carts, Soda Fountains, 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, Pasta Makers, Popcorn Carts/Machines, Salad/Vegetable Washers & Dryers, Scales, Slicers, Timers, Vacuum-Pack Machines
Warewashing & Waste Handling Equipment <i>Please Note,</i> as of Q416, Sanitation Equipment is included under Janitorial and Sanitation Equipment.	Booster Heaters, Can & Bottle Crushers, Can Washers, Drainboards, Faucets/Spray Units/Washers/Hoses, Flatware-Handling/Recovery Systems, Floor Troughs & Drains, Mats (Anti-Fatigues, Bar, Rubber, etc.), Pulpers & De-Water Equipment, Racks (Warewashing/Dishwashing Racks), Sinks, Tables (Dish), Warewashing/Dishwashing Machines, Waste Bins/Recycling, 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
Janitorial & Sanitation Lines	
<i>New!</i> Janitorial & Sanitation Equipment	Air Blowers/Carpet Dryers, Air Filtration Equipment, Bathroom Faucets and Faucet Systems, Bathroom Stall Doors, Dehumidifying Equipment, Eye Wash Stations, Pressure Washing Systems, Restroom Partitions/Stalls, Floor Scrubbers, Sinks, Toilets, Toilet Flushing Systems, Urinals
<i>New!</i> Janitorial & Sanitation Supplies	Baby Changing Stations, Brooms, Dusts Mops, etc., Brushes (Equipment Cleaning Brushes, Scouring Pads, etc.), Carpet Sweepers, Vacuums, Floor & Carpet Care Products, Carts (Janitorial), Cloths Microfiber, Hand Dryers, Mops, Buckets & Pails, Odor Control Chemicals & Devices, Paper Towel Dispensers, Soaps and Hand Sanitizers, Soap Dispensers, Stall Storage Systems, Toilet Paper and Sanitary Dispensers
<i>New!</i> 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



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Q4/2018 Foodservice Business Barometer Report

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

Agences Hamilton Agencies	Gabriel Group LLC	Premier Marketing Group, Inc.
AMG - Foodservice Sales	Gibbs & Associates, Inc.	Professional Manufacturers Representatives, Inc. (PMR)
Anderson Foodservice Solutions	GMV Sales Associates	Pro-Pacific Agents, Inc.
Apex Commercial Kitchen Co.	Greenwald Sales & Marketing, LLC	Pro-Quip Foodservice Equipment & Supplies Incorporated
Apex Marketing	Hanna-Young & Associates, Inc.	R. Henry & Associates
ARB Sales and Marketing	High Sabatino Associates	Raleigh W. Johnson & Company
Beacon Sales Group LLC	Hollander Company	Redco Foodservice Equipment, LLC
Bob Waite & Associates	HRI, Inc.	Schmid-Dewland Associates
Bowerman Management Group	Johnson Pike & Associates, Inc.	Shamrock Foodservice Equipment Reps. Inc
Brittan Associates	Kain-McArthur Inc.	Specialized
Carman-Girard Associates	Kaufmann & Associates	stage KOLSTAD associates
Celco Inc.	KBC Specialty Products, Inc.	TD Marketing Company, Inc.
Charles Pace & Associates	Kelly-Mincks	The 2Market Group, Inc.
Chrane Foodservice Solutions	Ken W. Thomson Associates Ltd.	The Burlis-Lawson Group
Clements-Stella-Gallagher Marketing	Kitchen Resource Group	The Fischer Group
Collis Group, Inc.	KLH Marketing, Inc.	The Hansen Group
Commercial Kitchen Reps, Inc.	Koehler-Borden & Associates, Inc.	The Pantano and Pinilla Agency, Inc.
Copperfield Agencies Limited	Lake Effect Sales & Marketing	The Wallin Group, Inc.
Courtney Marketing, Inc.	Lane Marketing Group	The Yes Group
Cowan Associates	Lehr McKeown Marketing, Inc.	Thormann Associates
Davis & Associates, Inc.	Lund-Iorio, Inc.	TLC Marketing Inc.
DJ Marketing & Associates	M2 Foodservice Representatives LLC	Total Source Equipment & Supply
Downing Management	MAC Sales & Marketing LTD.	Total Table Top Plus
DRC Marketing Group	Marjon & Associates, Inc.	Tri-State Marketing Associates
E. Ruff & Associates, Inc.	Midwest Professional Reps, Inc.	Unisource Marketing Group
Eaton Marketing Associates, Inc.	Mirkovich and Associates, Inc.	Vader & Landgraf, Inc.
Equipment Preference, Inc. (E.P.I.)	Mirkovich and Associates, Inc.	Veitch Group
Equipment Solutions, Inc.	ONE SOURCE	Viola Group
E-Source, Inc.	Paragon Marketing	Voeller & Associates, Inc.
Ettinger-Rosini & Associates, Inc.	PB & J Commercial Agents	W. D. Colledge Co., Ltd.
Florida Agents, Inc.	PBAC & Associates LTD	Walter Zebrowski Associates
FOCUS Hospitality Sales	Pecinka Ferri Associates	West Coast Food Service Agencies
Food Equipment Sales & Marketing Agents, Inc. (FESMA)	Performance Reps Northwest, Inc.	Wyllie Marketing
FOODSERVICE AGENTS of ONTARIO	Permul Ltd.	YBR Marketing, Inc.
Foodservice Equipment Agents, LLC	Preferred Marketing Group	Zink Foodservice
Forbes, Hever & Wallace, Inc.	Premier Marketing Group	