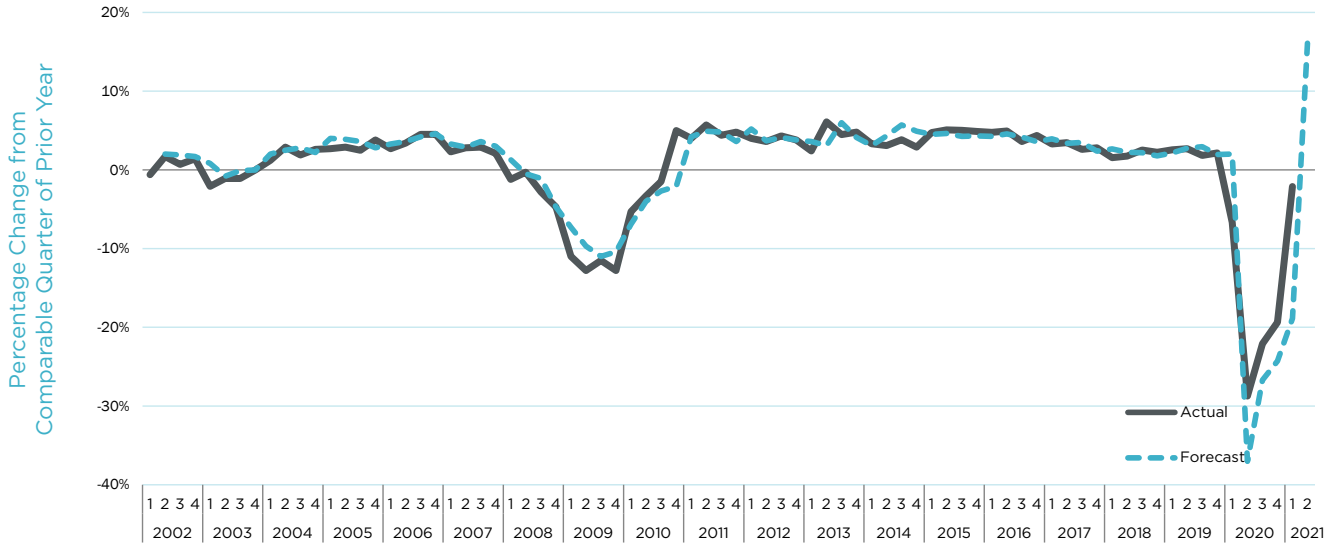


### Overall Commercial Foodservice Sales Per Quarter for North America Q1 and Q2 2021 Sales Come Roaring Back; Surge in Business Not Without Problems



### Q1 and Q2 2021 Sales Come Roaring Back; Surge in Business Not Without Problems

Overall sales in the 1st Quarter of 2021 were reduced by a further -2.1%, in comparison to the mostly "pre-COVID" period of Q1/20. This was an improvement from the -19.4% plunge for Q4/20 and the forecasted -18.9% for Q1/21. It was also on par with the Q1/21 reports of the industry's 6 public companies of +0.5%, as tracked by Clarity M&A, LLC.

By category, the breakdown is Furniture is +0.3%, Equipment -1.1%, Supply -3.9%, and Tabletop -9.7%.

Regional variations were widespread and somewhat predictable, given geographic and political COVID factors such as a second or third wave and the degree of easing of restrictions. Further declines were felt in the West at -9.8% and the Midwest at -7.7% while the Northeast stabilized at +0.3%. Canada grew by +2.7%, and the South led by Texas and Florida gained +5.8%.

The forecast for Q2/21 is wide open with huge gains predicted for all markets ranging from +14.6% in the South, +15.3% in both the Northeast and Midwest, to +15.6% in the West, and +21.4% in Canada. With the return to normalcy, the recovery is dramatic in its intensity with 81% of reps reporting they are quoting more and 56% are seeing more specs. Although highly welcomed, this surge of business is not without challenges for the Foodservice Industry.

Demand is quickly outstripping supply as manufacturers deal with a variety of problems as they expand their capacity from decimated COVID levels. These issues include labor, supply, and wage pressures, raw material shortages, and transportation availability. These inflationary pressures are leading to second rounds of price increases, advancing of order placement, longer lead times and in some cases, hoarding and resultant shortages. The market is very rapidly shifting from "Just in Time" to "Not in Time".

#### Qtrly Sales Forecast for North America Q2/21 vs. Q2/20

16.1%

#### Yearly Sales Forecast for North America 2021 vs. 2020

6.0%

#### Quoting Activity for Q1/21 vs. Q4/20

More	Less	No Change
81%	5%	14%

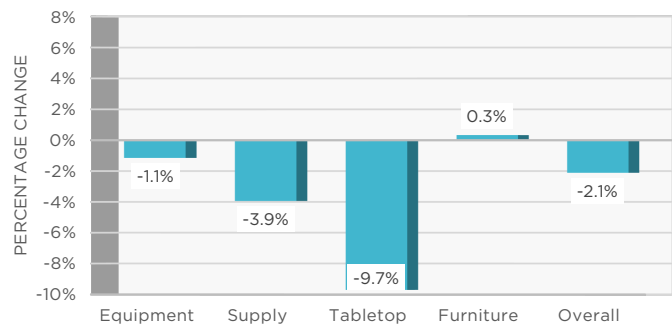
#### Consultant Activity for Q1/21 vs. Q4/20

More	Less	No Change
56%	7%	37%

#### Jan San Sales for Q1/21 vs. Q1/20

Equipment	Supplies	Disposables
13.5%	12.5%	6.4%

#### 1st Quarter 2021 Overall Sales for North America Q1/2021 vs. Q1/2020 (Jan 1 - Mar 31)

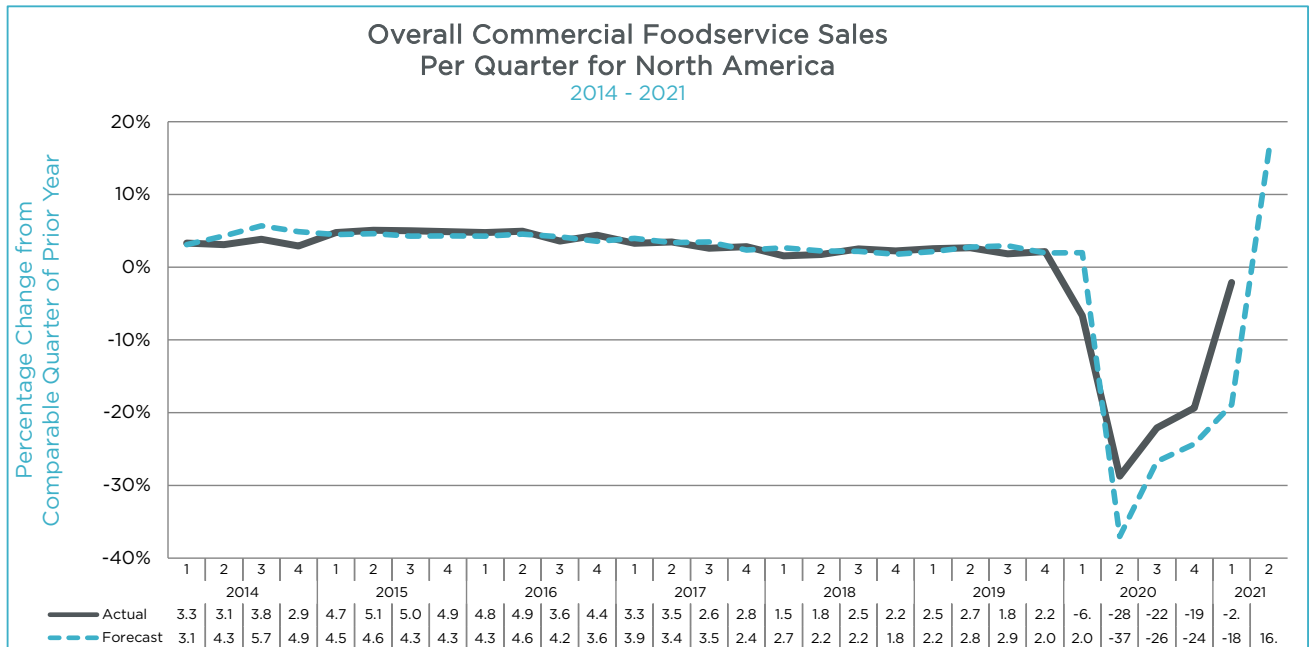


\*The overall industry sales growth is calculated using a weighted average based on the percentage of the total sales volume for the overall industry represented by the various sales categories: Equipment (77%), Supplies (6%), Tabletop (11%), and Furnishings (6%). Market numbers are based on the North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



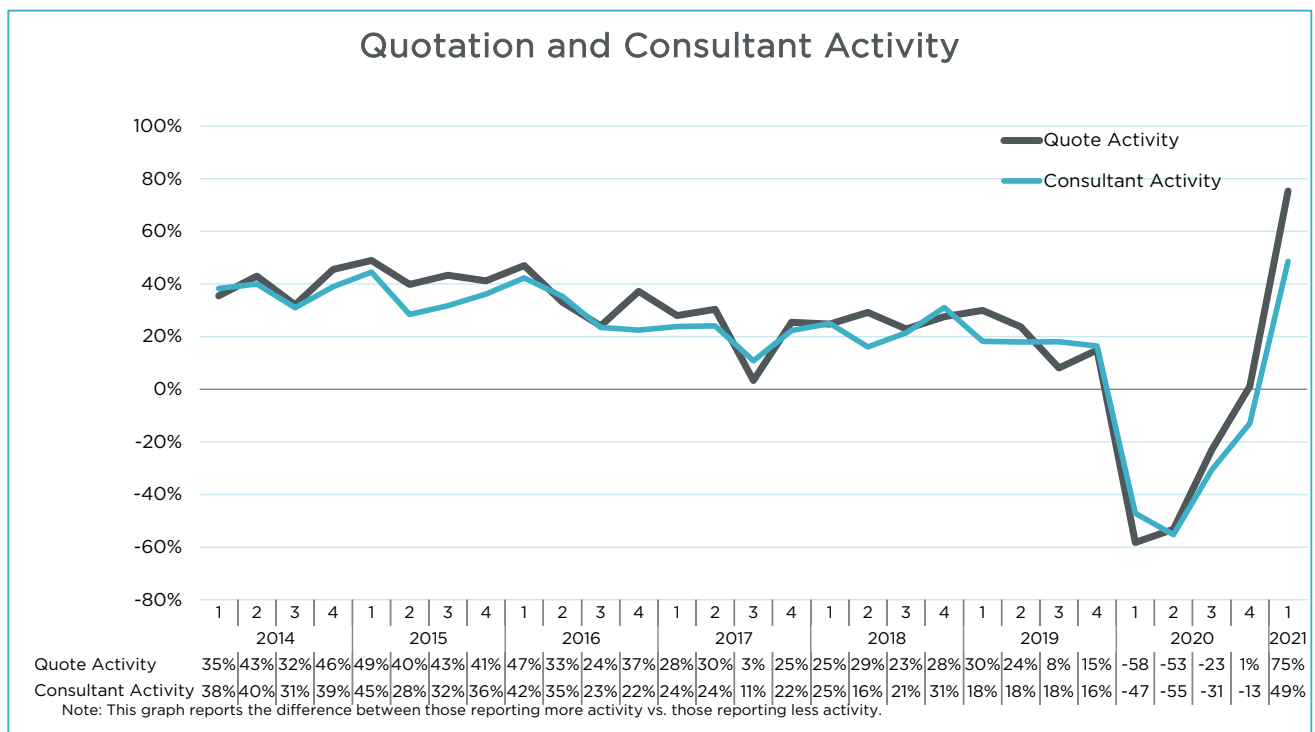
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Q1/2021 Foodservice Business Barometer Report



Eventually, this surge of business will level off as supply and demand rebalance. The population is shifting from California and New York to Texas and Florida which are long-term trends. Add to this, the activity reported by Clarity M&A, LLC, at the dealer, rep, and for sure, the manufacturer levels, we are certainly in for some dynamic and unprecedented times ahead.

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





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Q2/21 vs. Q2/20 Sales Percentage Change Forecast by Region

2nd Quarter 2021 compared to 2nd Quarter 2020 (Apr 1 - Jun 30)

<b>Northeast</b> 15.3%	<b>South</b> 14.6%	<b>Midwest</b> 15.3%	<b>West</b> 15.6%	<b>Canada</b> 21.4%
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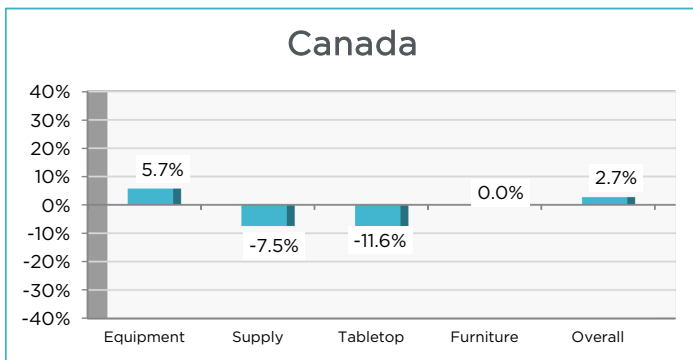
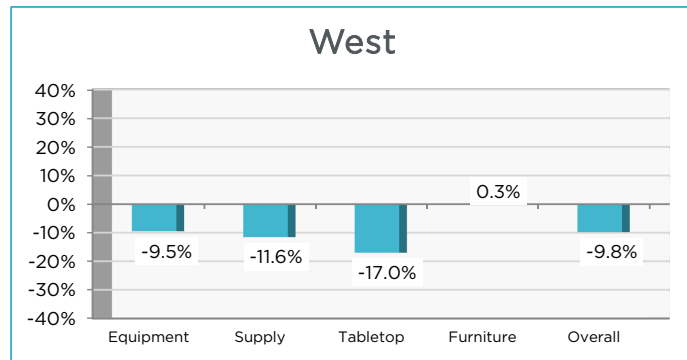
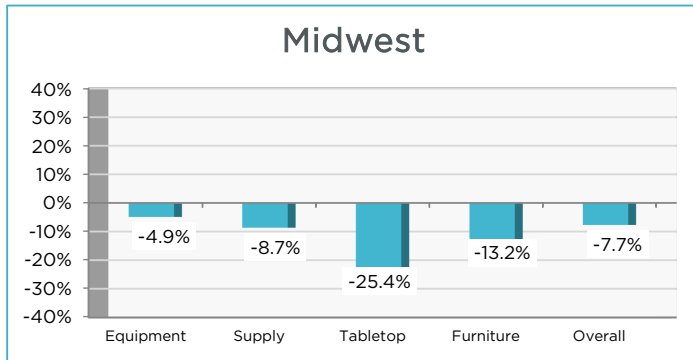
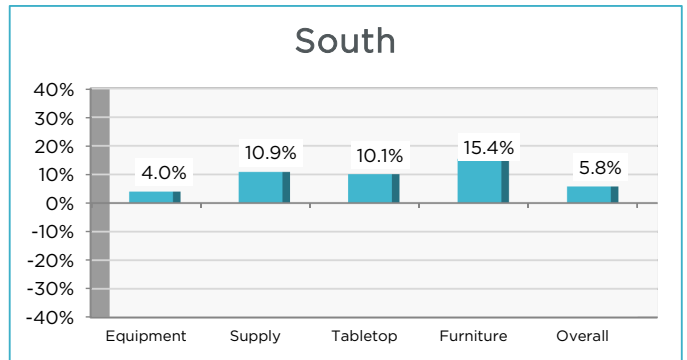
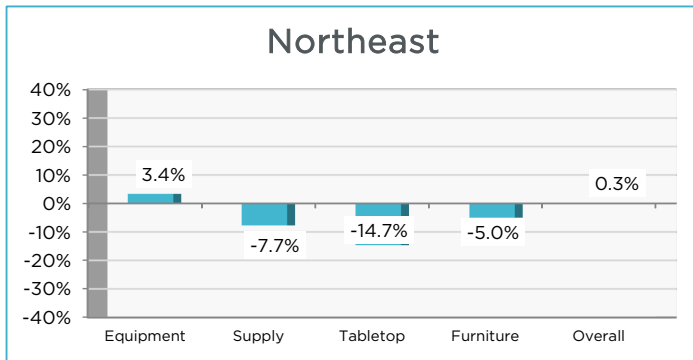
2021 vs. 2020 Overall Sales Forecast by Region

Compared to Overall Sales for 2020

<b>Northeast</b> 10.4%	<b>South</b> 6.4%	<b>Midwest</b> 5.2%	<b>West</b> 0.5%	<b>Canada</b> 4.8%
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1st Quarter 2021 Sales Percentage Change by Region

1st Quarter 2021 compared to 1st Quarter 2020 (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

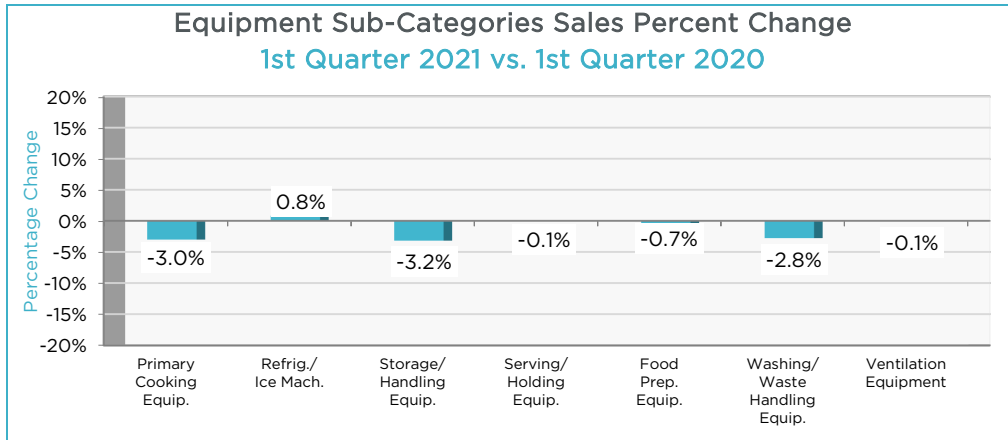
**WEST includes the states:**

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

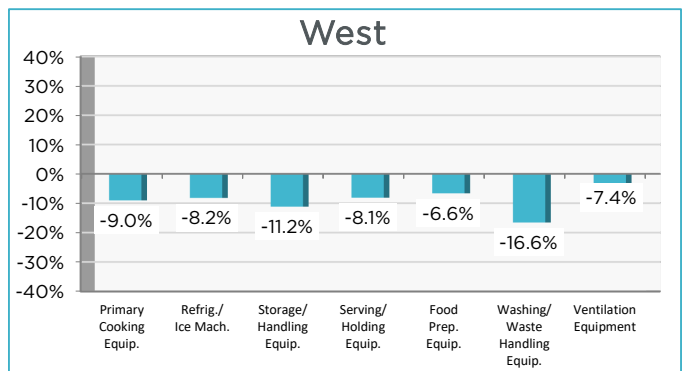
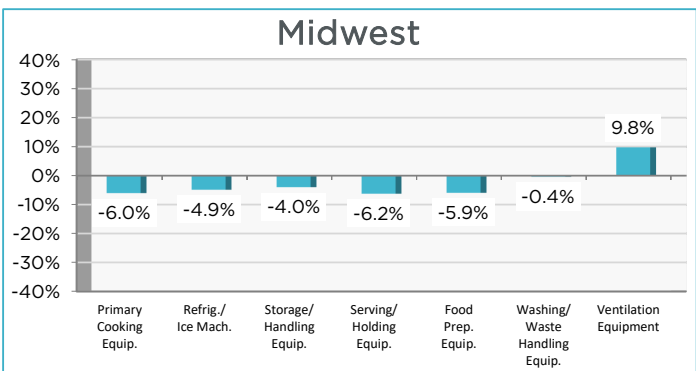
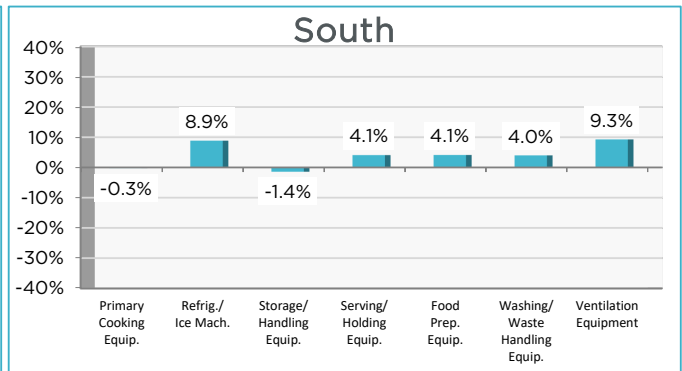
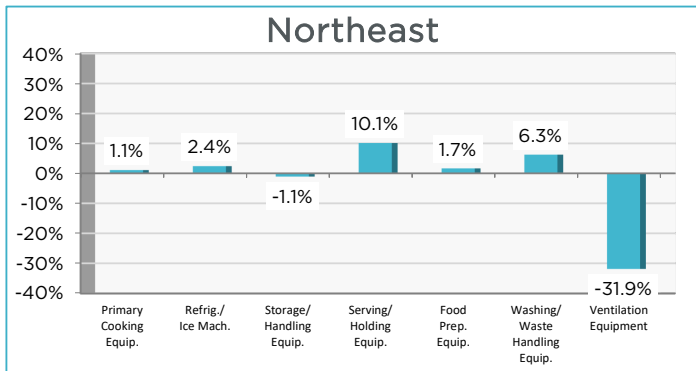
**CANADA includes all provinces and territories in Canada.**

\*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 2021 compared to 1st Quarter 2020 (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:**

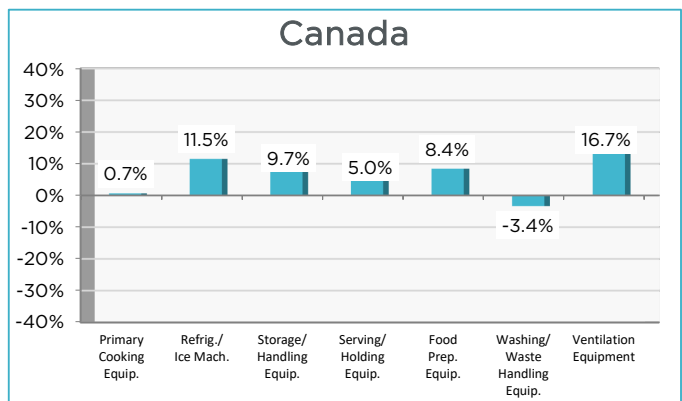
IA, IL, IN, KS, KY, MI, MN, MO, ND, NE, OH, W. PA, SD, WI, WV

**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.





## Business Barometer Category Product List

MAIN CATEGORIES	
<b>Equipment</b> Please note: 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
<b>Supplies</b> Please note: 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)
<b>Tabletop</b>	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
<b>Furniture</b>	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	
<b>Primary Cooking Equipment</b>	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 Skillet, Toasters, Waffle Bakers/Crepe Equipment
<b>Refrigeration &amp; Ice Machines</b>	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
<b>Storage &amp; Handling Equipment</b>	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.)
<b>Serving &amp; Holding Equipment</b>	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
<b>Food Preparation Equipment</b>	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
<b>Warewashing &amp; Waste Handling Equipment</b> Please Note, 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
<b>Ventilation</b>	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 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
<b>New!</b> 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
<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





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Q1/2021 Foodservice Business Barometer Report

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

Agences Hamilton Agencies	Johnson Pike & Associates, Inc.	R. Henry & Associates
Allied Technologies Food Equipment	Kain-McArthur Inc.	Redco Foodservice Equipment, LLC
Anderson Foodservice Solutions	Kaufmann McKeown Marketing	Schmid-Dewland Associates
Apex Commercial Kitchen Co.	KBC Specialty Products, Inc.	Shamrock Foodservice Equipment Reps. Inc
Apex Marketing	Ken W. Thomson Associates Ltd.	Sharkey & Associates
B Square Enterprises	KLH Marketing, Inc.	Southwest Foodservice Equipment Marketing
Beacon Sales Group LLC	Lake Effect Sales & Marketing	Specialized
Bob Waite & Associates	Link2 Hospitality Solutions	stage KOLSTAD associates
Celco Inc.	Lund-Iorio, Inc.	The 2Market Group, Inc.
Chrane Foodservice Solutions	M2 Foodservice Representatives LLC	The Burlis-Lawson Group
CLV Marketing	MAC Sales & Marketing LTD.	The Daly & DeRoma Group, Inc.
Collis Group, Inc.	Master Marketing	The Fischer Group
DJ Marketing & Associates	Midwest Professional Reps, Inc.	The Pantano and Pinilla Agency, Inc.
Downing Management	Nick Mavro & Associates, LLC	The YES Group
DRC Marketing Group	ONE SOURCE	Thormann Associates
E. Ruff & Associates, Inc.	Paglio & Associates, Inc.	TLC Marketing Inc.
Equipment Preference, Inc. (E.P.I.)	PB & J Commercial Agents	Total Tabletop Plus
Florida Agents, Inc.	PBAC & Associates LTD	Vader & Landgraf, Inc.
FOCUS Hospitality Sales LLC	Pecinka Ferri Associates	Viola Group
Food Equipment Sales & Marketing Agents, Inc. (FESMA)	Performance Reps Northwest, Inc.	W. D. Colledge Co., Ltd.
Forbes, Hever & Wallace, Inc.	Permul Ltd.	Walter Zebrowski Associates
Gabriel Group LLC	Preferred Marketing Group	Wyllie Marketing
Greenwald Sales & Marketing, LLC	Premier Marketing Group, Inc.	Zink Foodservice
Hollander Company	Professional Manufacturers Representatives, Inc. (PMR)	
HRI, Inc.	Pro-Quip Foodservice Equipment & Supplies Incorporated	