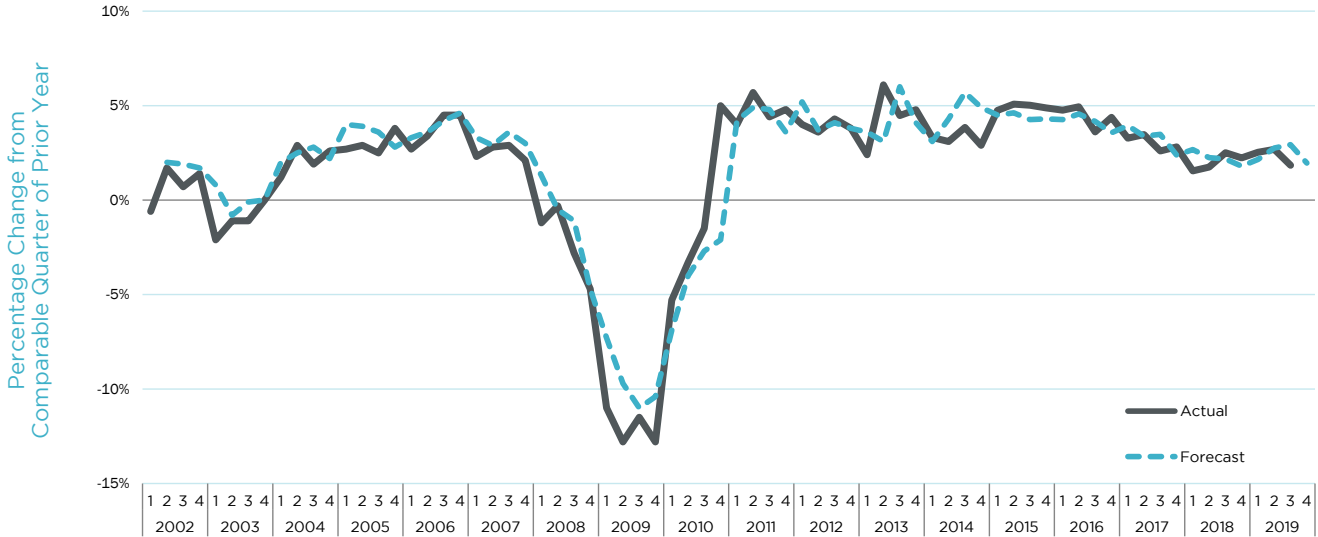


Overall Commercial Foodservice Sales Per Quarter for North America
MAFSI Barometer Misses Target in Third Quarter, Slow Growth Forecasted for Fourth Quarter



MAFSI Barometer Misses Target in Third Quarter, Slow Growth Forecasted for Fourth Quarter

The MAFSI Business Barometer overall gain slowed to a mere +1.8% in Q3/19 from +2.7% in Q2/19. This slowing down of the growth rate was once again in line with the sales results reported by the industry's publicly held companies in the third quarter. Furthermore, it reflected a sharp miss of the +2.9% forecasted by reps. This was only the third time in the past 9 years that quarterly sales growth was less than +2%.

By Region, sales growth ranged from +3.2% in the Midwest, +2.4% in the West, +1.2% in the Northeast, +1.0% in Canada, and +0.8% in the South. By Product Type sales were +2.5% in Supplies, +1.8% in both Equipment and Tabletop, and +1.0% in Furniture.

More Quoting Activity dropped to 29% in Q3, it decreased substantially from 41% More Activity in Q2, and 44% More Activity in Q1. Consultant Activity held its own for Q3 with More Activity at 31%.

Reps are forecasting a gain of +2.0% for Q4/19 and 3.0% for 2020. The "positives" that fuel this forecast are low interest rates, the smallest unemployment level in 50 years, a record high stock market, higher consumer confidence and the apparent easing of recession worries.

New trends, buzz words, and concerns to watch include: the transitioning from food courts to food halls, from food trucks to pop-ups and ghost kitchens, the impact of Brexit, the ongoing effects of tariffs and the trade war, plant based "meat", and various delivery apps.

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

Qtrly Sales Forecast for North America
Q4/19 vs. Q4/18
 2.0%

Yearly Sales Forecast for North America
2020 vs. 2019 **2019 vs. 2018**
 3.0% 3.4%

Quoting Activity for Q3/19 vs. Q2/19

| | | |
|-------------|-------------|------------------|
| More | Less | No Change |
| 29% | 20% | 51% |

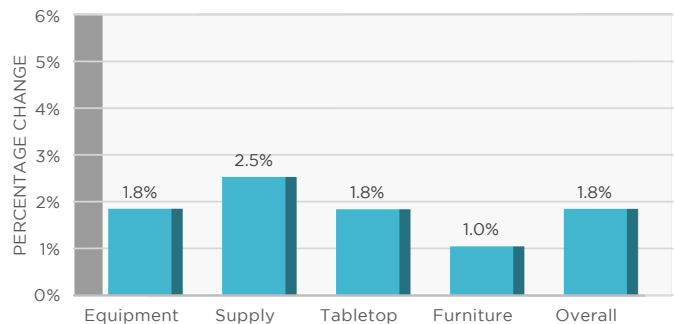
Consultant Activity for Q3/19 vs. Q2/19

| | | |
|-------------|-------------|------------------|
| More | Less | No Change |
| 31% | 12% | 57% |

Jan San Sales for Q3/19 vs. Q3/18

| | | |
|------------------|-----------------|--------------------|
| Equipment | Supplies | Disposables |
| 1.7% | 1.2% | 2.6% |

3rd Quarter 2019
Overall Sales for North America
Q3/2019 vs. Q3/2018 (Jul 1 - Sep 30)



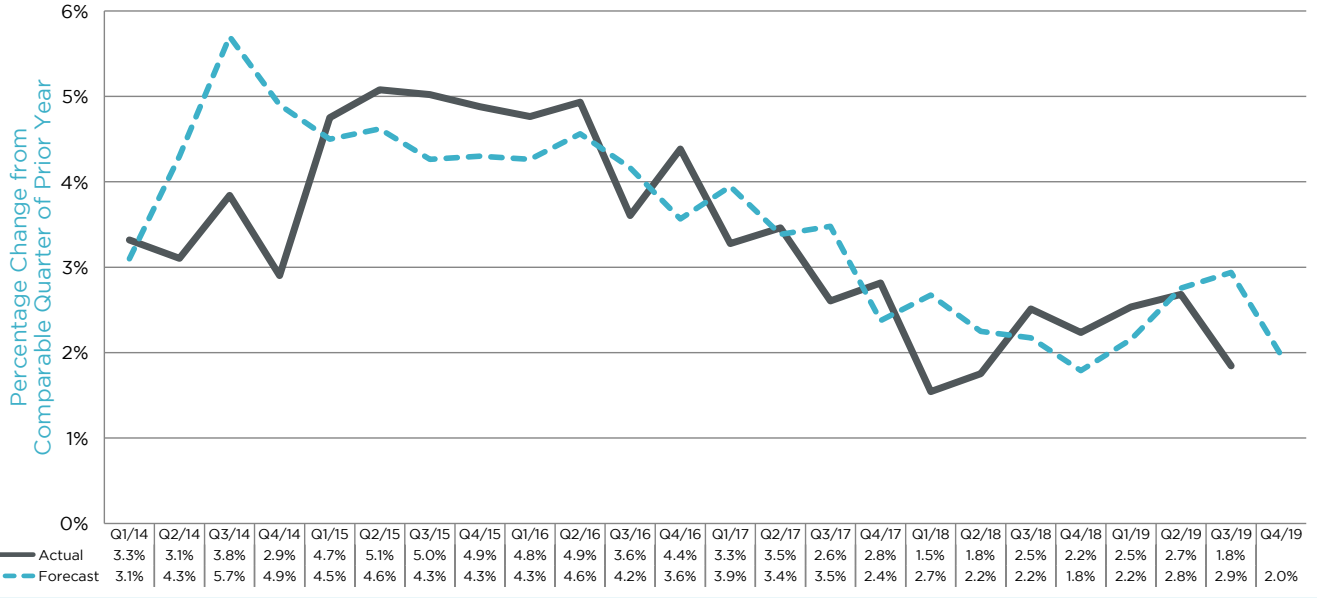
*The overall industry sales growth is calculated using a weighted average based on the percentage of the total sales volume for the overall industry represented by the various sales categories: Equipment (77%), Supplies (6%), Tabletop (11%), and Furnishings (6%). Market numbers are based on the North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



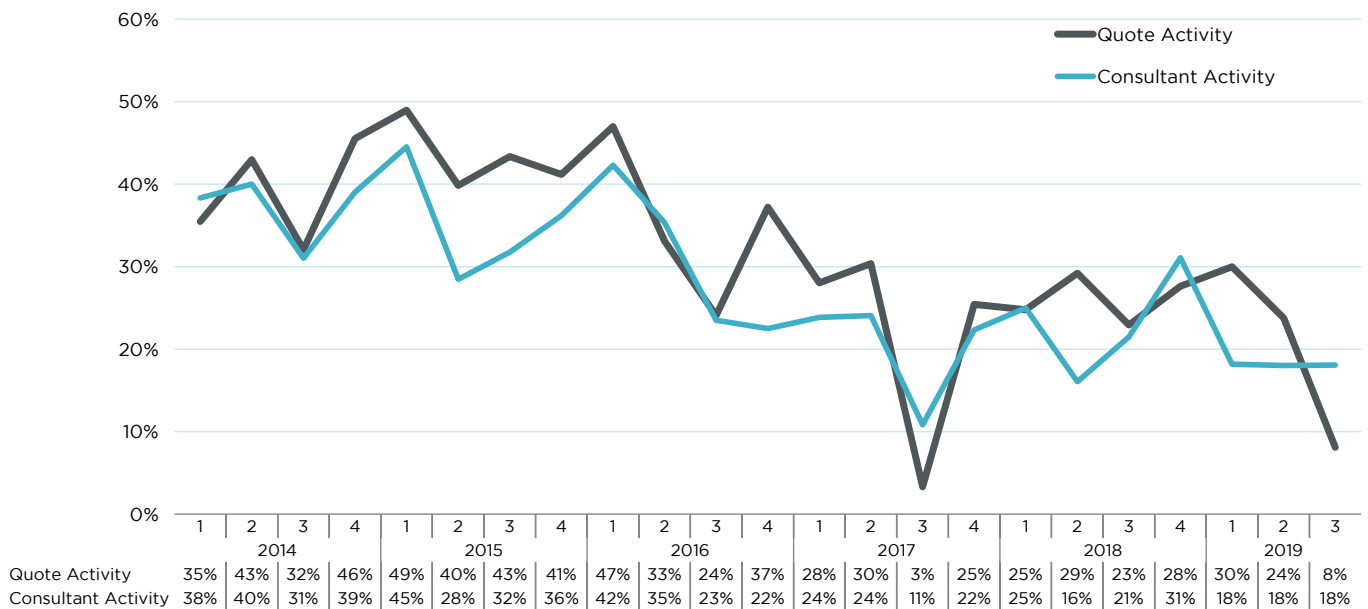
The commercial foodservice industry's most definitive non-food sales/trend indicator

Q3/2019 Foodservice Business Barometer Report

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.





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

Q3/2019 Foodservice Business Barometer Report

Q4/19 vs. Q4/18 Sales Percentage Change Forecast by Region

4th Quarter 2019 compared to 4th Quarter 2018 (Oct 1 - Dec 31)

| | | | | |
|--------------------------|----------------------|------------------------|---------------------|-----------------------|
| Northeast 1.3% | South 2.5% | Midwest 2.4% | West 1.9% | Canada 1.5% |
|--------------------------|----------------------|------------------------|---------------------|-----------------------|

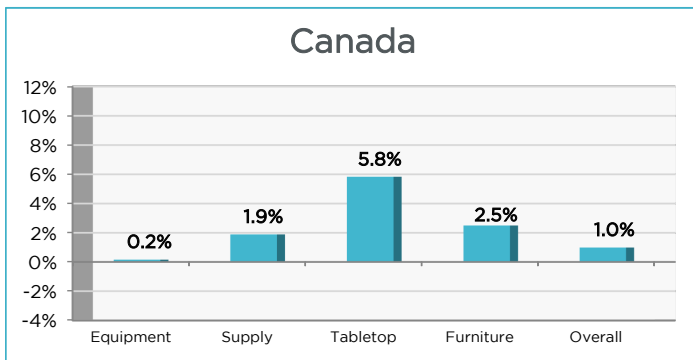
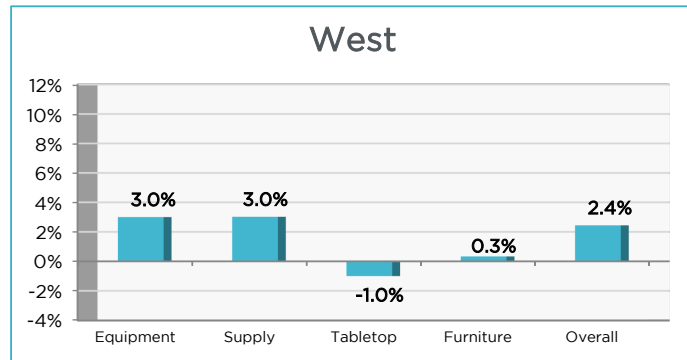
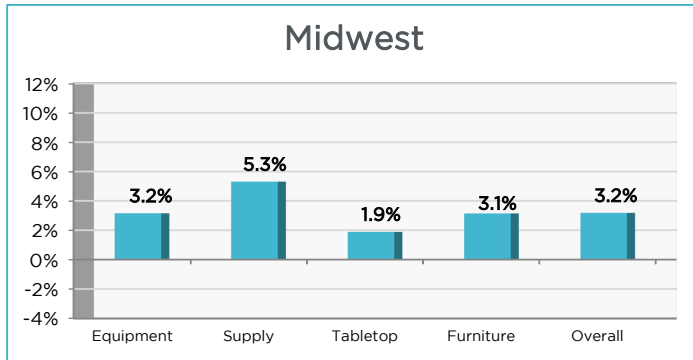
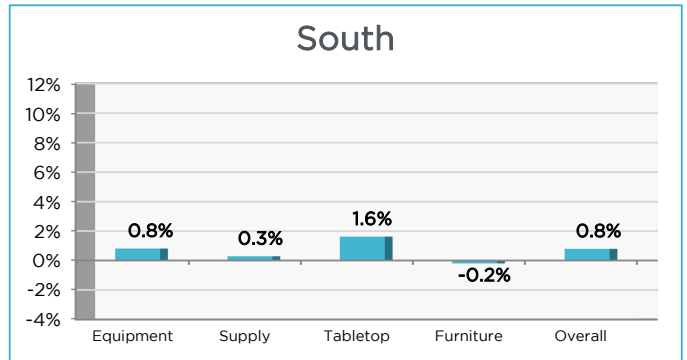
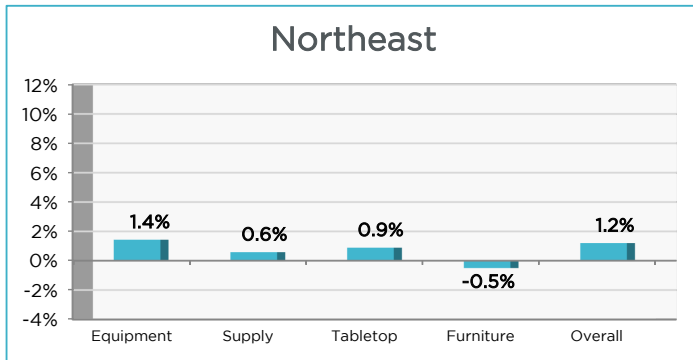
2020 vs. 2019 Overall Sales Forecast by Region

Compared to Overall Sales for 2019

| | | | | |
|--------------------------|----------------------|------------------------|---------------------|-----------------------|
| Northeast 2.5% | South 2.5% | Midwest 3.5% | West 3.1% | Canada 3.6% |
|--------------------------|----------------------|------------------------|---------------------|-----------------------|

3rd Quarter 2019 Sales Percentage Change by Region

3rd Quarter 2019 compared to 3rd Quarter 2018 (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

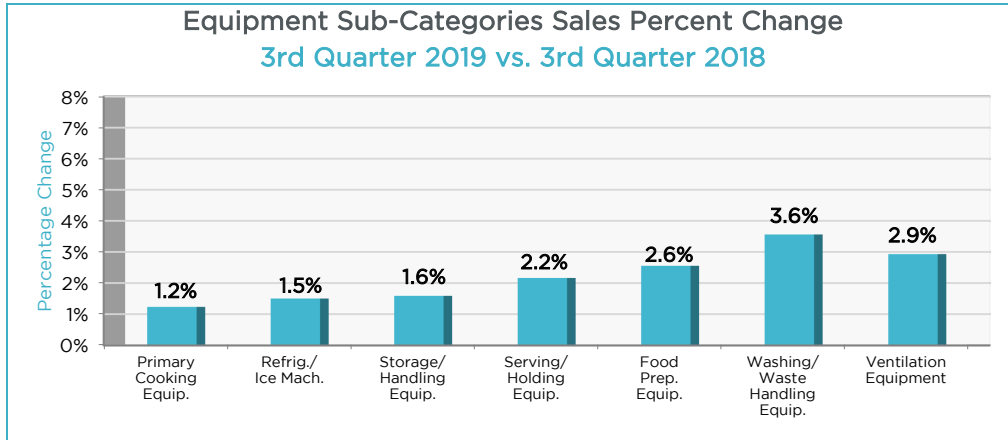
WEST includes the states:

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

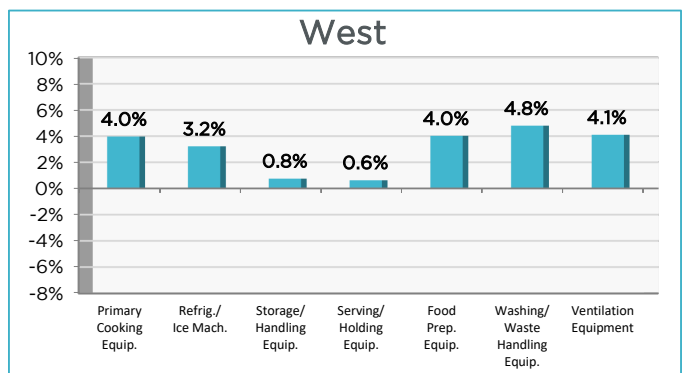
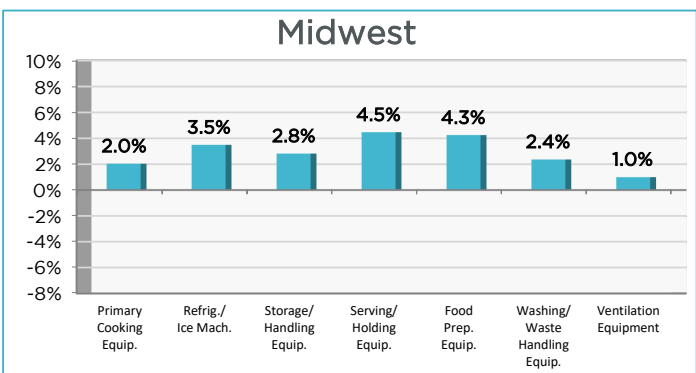
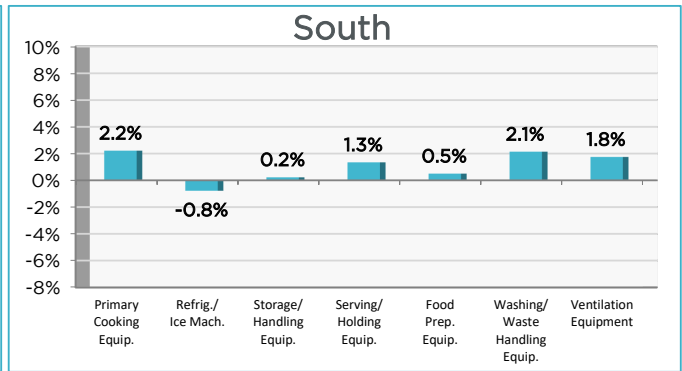
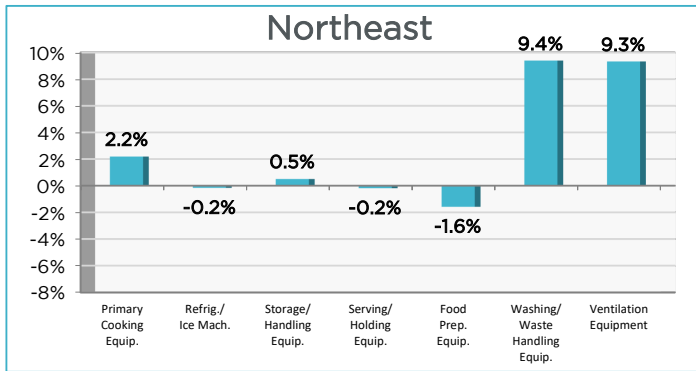
CANADA includes all provinces and territories in Canada.

*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.





Equipment Sub-Categories Sales Percent Change by Region 3rd Quarter 2019 compared to 3rd Quarter 2018 (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:

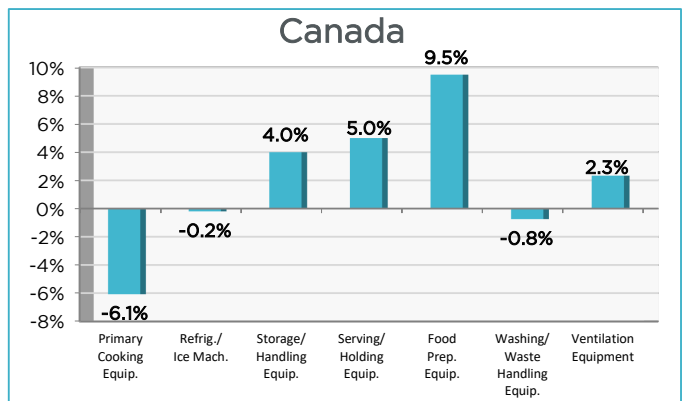
IA, IL, IN, KS, KY, MI, MN, MO, ND, NE, OH, W. PA, SD, WI, WV

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.





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, Janitorial & Sanitation Equipment, Primary Cooking Equipment, Refrigeration & Ice Machines, Serving & Holding Equipment, Storage & Handling Equipment, Ventilation, Warewashing, Waste Handling Equipment |
| Supplies 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) |
| 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, Serveware, 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 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 |
| 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 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 |
| New! 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 |
| 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*

Q3/2019 Foodservice Business Barometer Report

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

| | | |
|--|------------------------------------|---|
| Agences Hamilton Agencies | Kaufmann McKeown Marketing | Premier Foodservice Group |
| Anderson Foodservice Solutions | KBC Specialty Products, Inc. | Premier Marketing Group |
| Apex Commercial Kitchen Co. | Kelly-Mincks | Premier Marketing Group, Inc. |
| Apex Marketing | Ken W. Thomson Associates Ltd. | Professional Manufacturers Representatives, Inc. (PMR) |
| Beacon Sales Group LLC | KLH Marketing, Inc. | Pro-Pacific Agents, Inc. |
| Bob Waite & Associates | Koehler-Borden & Associates, Inc. | Pro-Quip Foodservice Equipment & Supplies Incorporated |
| Chrane Foodservice Solutions | Lake Effect Sales & Marketing | R. Henry & Associates |
| Clements-Stella-Gallagher Marketing | Lund-Iorio, Inc. | Redco Foodservice Equipment, LLC |
| Collis Group, Inc. | M2 Foodservice Representatives LLC | Schmid-Dewland Associates |
| Copperfield Agencies Limited | MAC Sales & Marketing LTD. | Specialized |
| Cowan Associates | Marjon & Associates, Inc. | stage KOLSTAD associates |
| Davis & Associates, Inc. | Master Marketing | TD Marketing Company, Inc. |
| DJ Marketing & Associates | Midwest Professional Reps, Inc. | The 2Market Group, Inc. |
| DRC Marketing Group | Mirkovich and Associates, Inc. | The Fischer Group |
| Equipment Preference, Inc. (E.P.I.) | Mirkovich and Associates, Inc. | The Pantano and Pinilla Agency, Inc. |
| Florida Agents, Inc. | ONE SOURCE | Thormann Associates |
| FOCUS Hospitality Sales | O'Neill Marketing Agents, LLC | TLC Marketing Inc. |
| Food Equipment Sales & Marketing Agents, Inc. (FESMA) | Paglio & Associates, Inc. | Total Tabletop Plus |
| Gabriel Group LLC | Paragon Marketing | Viola Group |
| GMV Sales Associates | PB & J Commercial Agents | W. D. Colledge Co., Ltd. |
| Greenwald Sales & Marketing, LLC | PBAC & Associates LTD | West Coast Food Service Agencies |
| Hollander Company | Pecinka Ferri Associates | Wyllie Marketing |
| HRI, Inc. | Performance Reps Northwest, Inc. | YBR Marketing, Inc. |
| Johnson Pike & Associates, Inc. | Permul Ltd. | Zink Foodservice |
| Kain-McArthur Inc. | Preferred Marketing Group | |