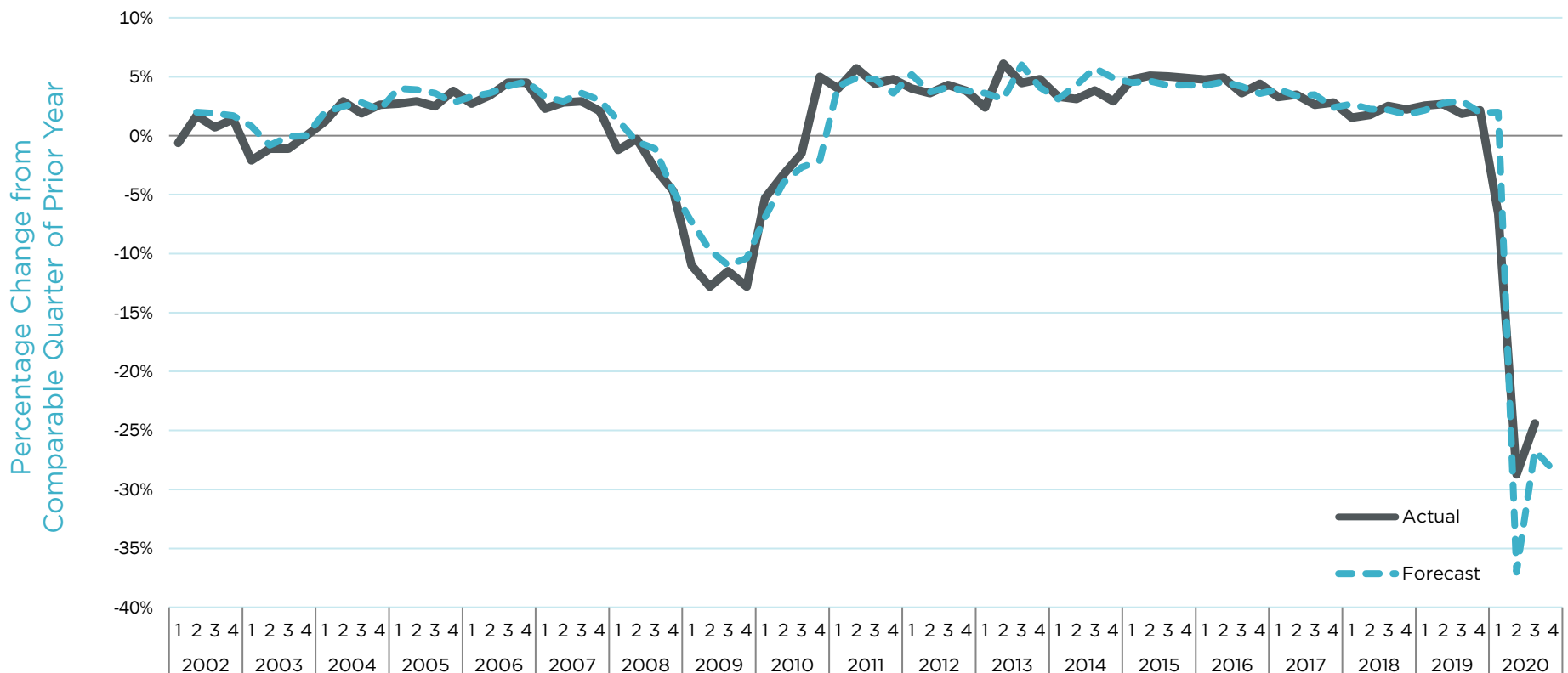




Q3/2020 Foodservice Business Barometer Report

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

Overall Commercial Foodservice Sales Per Quarter for North America MAFSI Business Barometer Reports Another Quarter of Steep Declines Industry Hopeful for Recovery as Vaccine Approval Nears



MAFSI Business Barometer Reports Another Quarter of Steep Declines Industry Hopeful for Recovery as Vaccine Approval Nears

The good news: the bad news isn't as bad as we thought. Sales in Q3/20 were down -24.4% versus a forecasted decline of -32.4% and an actual decline of -30.4% in Q2/20. While this is far from positive news, it is less bad but still quite painful. Sales in Q3/20 were down -24.4% versus a forecasted decline of -32.4% and an actual decline of -30.4% in Q2/20. While this is far from positive news, it is less "bad" but still quite painful.

Tabletop sales have been cut more than half at -51.6% while Furniture is down -32.2%, Supplies -24.1%, and Equipment -20.3%. The Equipment decline was less severe as many projects, previously on hold in Q2 were released for shipment in Q3. Disposable sales increased with a gain of +3.5% due to take-out, curbside, drive-thru, and delivery surges in demand.

There is less work flowing into the pipeline as this pandemic continues, and in many areas, accelerates. Only 18% of Reps report more Consultant activity while 47% see fewer specs. Furthermore, 25% are quoting more than they did in Q2/20 while 48% are quoting less.

The decline in sales is somewhat evenly spread throughout the U.S., ranging from -27.1% in the West, -26.0% in the Midwest, to -23.1% in the South, and -22.4% in the Northeast. Canada reports a less severe decline of -20.7% vs. -43.2% in Q2/20. The overall forecast for Q4/20 is -28.3%. However, as we go to publication, major K-12 school closings and shifting of colleges to remote learning are being reported as well as restaurant restrictions and holiday travel warnings.

With several vaccines nearing final approval and pending proper distribution and widespread inoculation, the expectation is that while business might get worse in the next quarter or two as restaurants, particularly independents, struggle to survive in the absence of federal support, we will be well along the road to a meaningful recovery by the second half of 2021.

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

Qtrly Sales Forecast for North America
Q4/20 vs. Q4/19
-28.3%

Yearly Sales Forecast for North America
Pre-Covid: 3.0%
Revised: -26.3%

Jan San Sales for Q3/20 vs. Q3/19

Equipment	Supplies	Disposables
-5.5%	-1.7%	3.5%

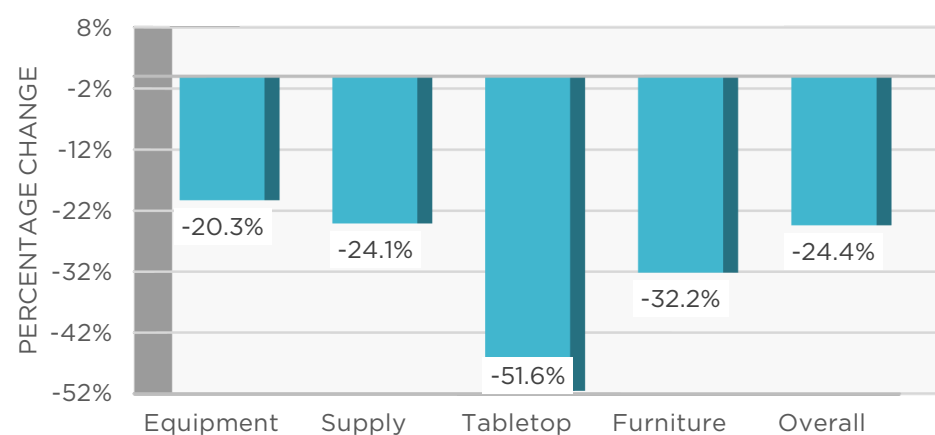
Consultant Activity for Q3/20 vs. Q2/20

More	Less	No Change
18%	47%	35%

Quoting Activity for Q3/20 vs. Q2/20

More	Less	No Change
25%	48%	27%

3rd Quarter 2020 Overall Sales for North America Q3/2020 vs. Q3/2019 (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.

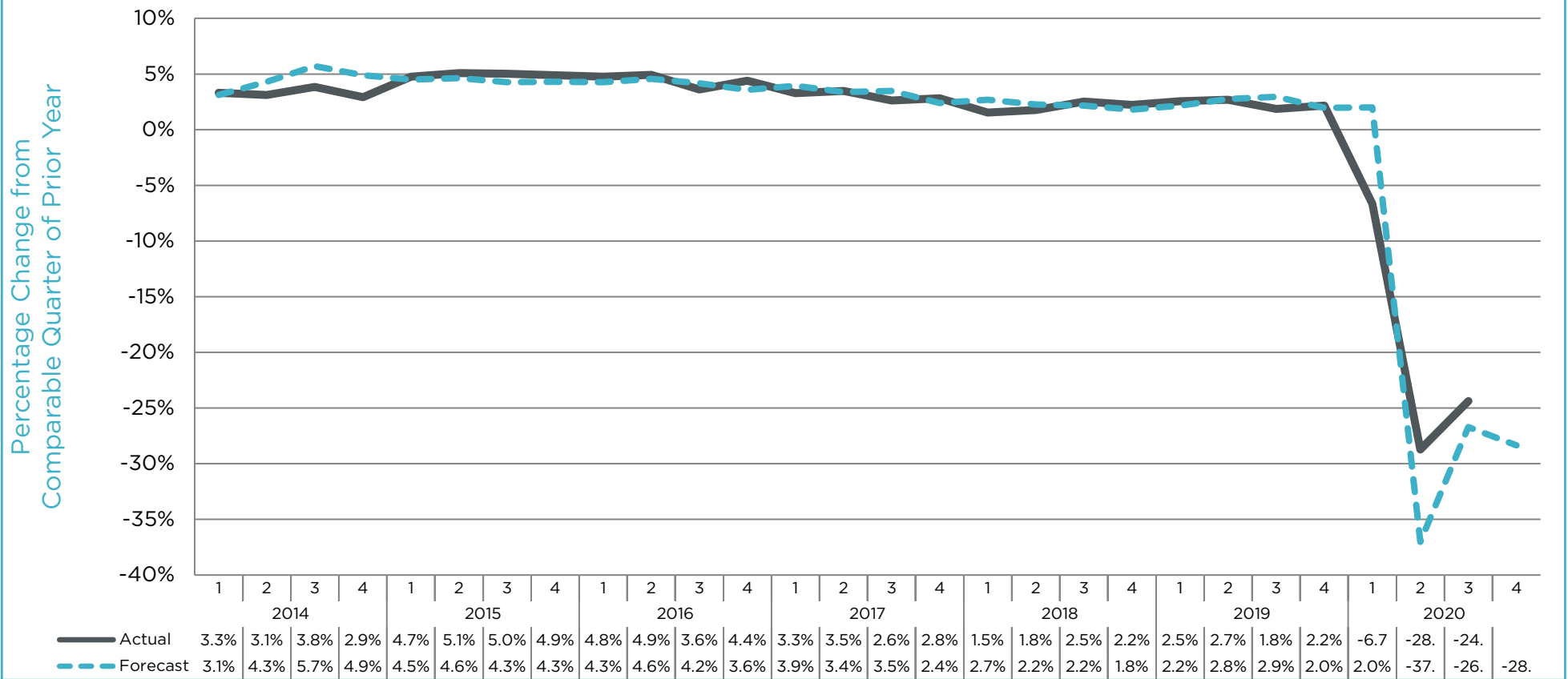




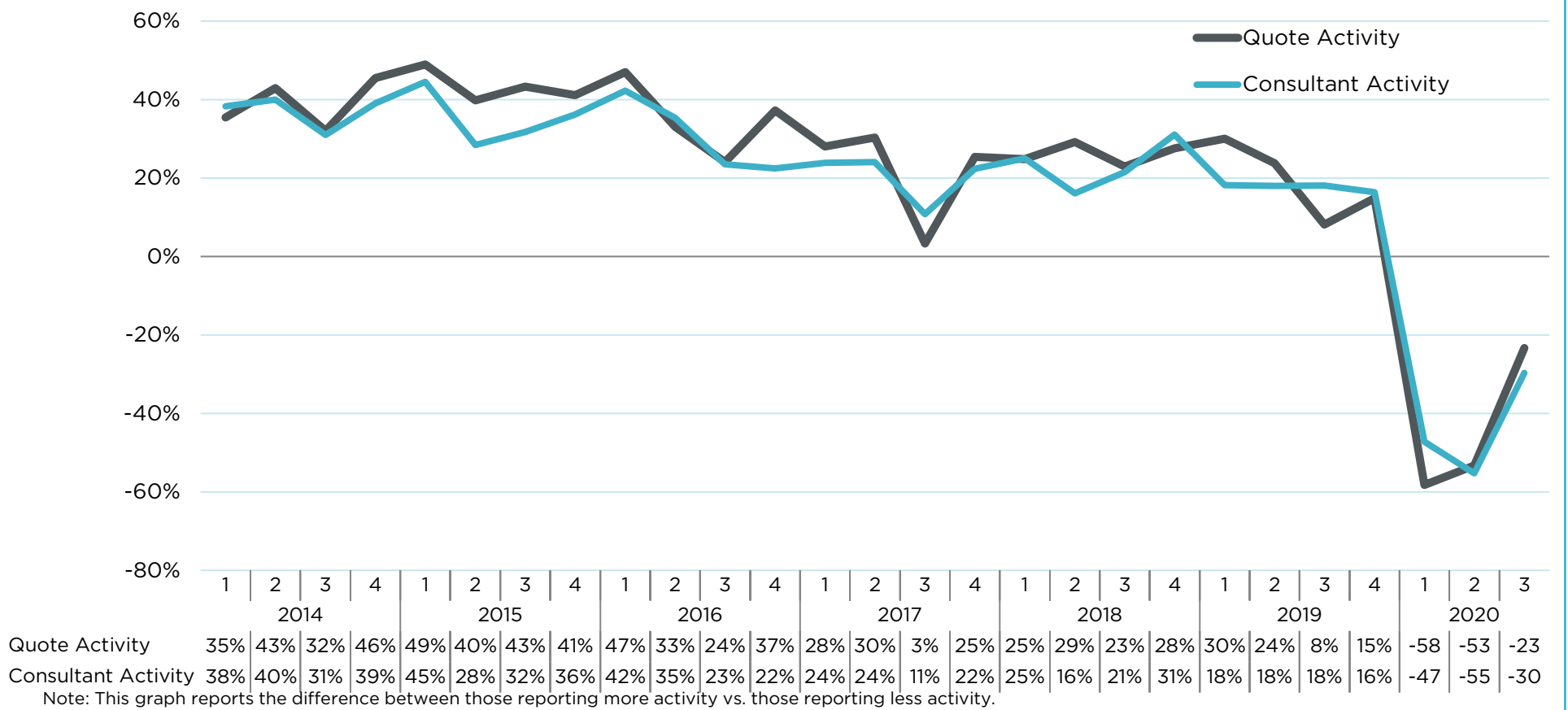
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Overall Commercial Foodservice Sales Per Quarter for North America 2014 - 2020



Quotation and Consultant Activity 2014 - 2020



Q4/20 vs. Q4/19 Sales Percentage Change Forecast by Region

4th Quarter 2020 compared to 4th Quarter 2019 (Oct 1 - Dec 31)



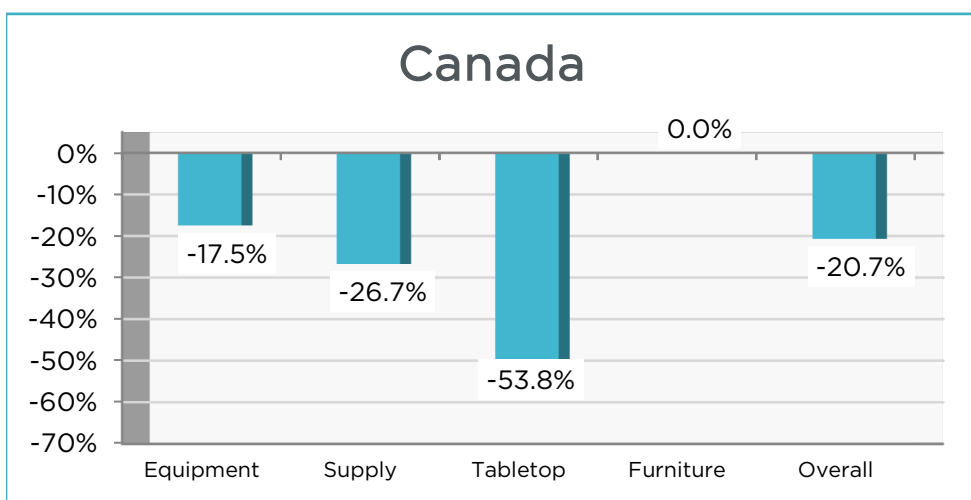
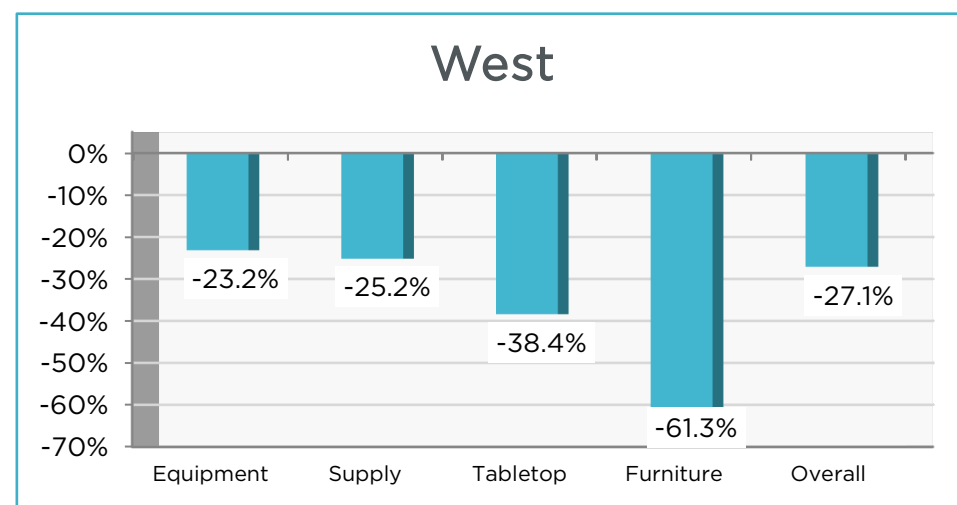
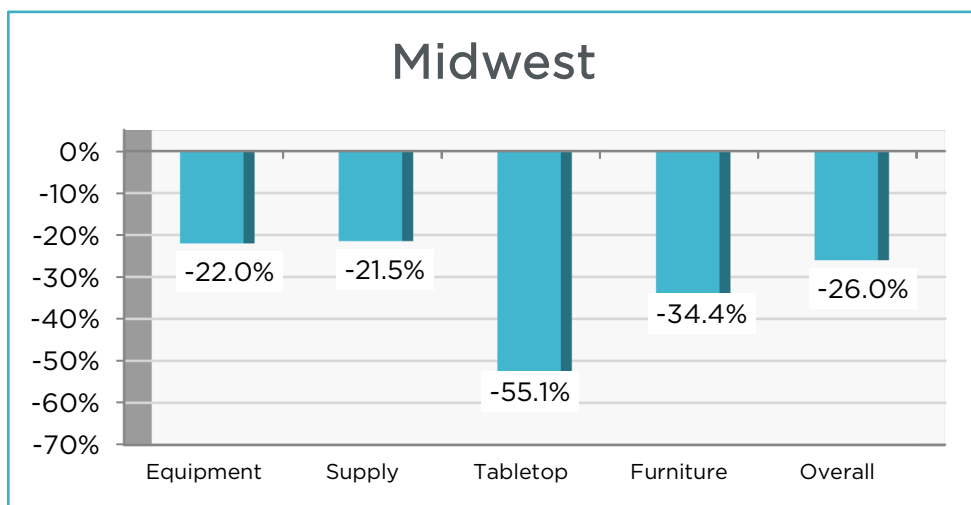
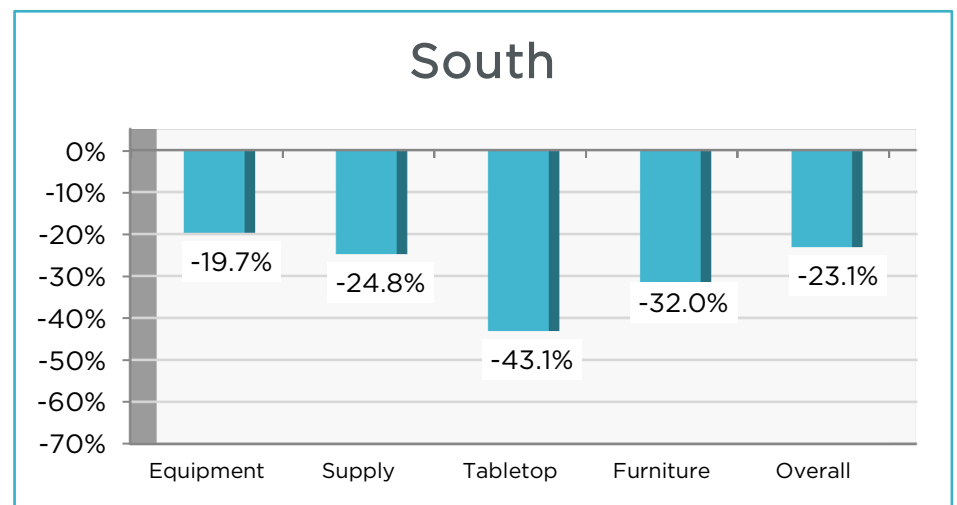
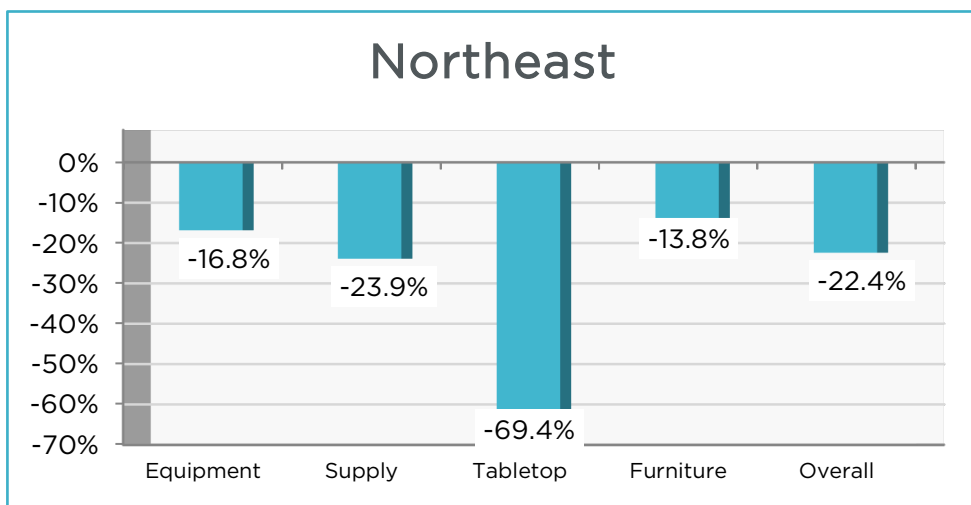
2020 vs. 2019 Overall Sales Forecast by Region

Post COVID Forecast - Results Revised



3rd Quarter 2020 Sales Percentage Change by Region

3rd Quarter 2020 compared to 3rd Quarter 2019 (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:

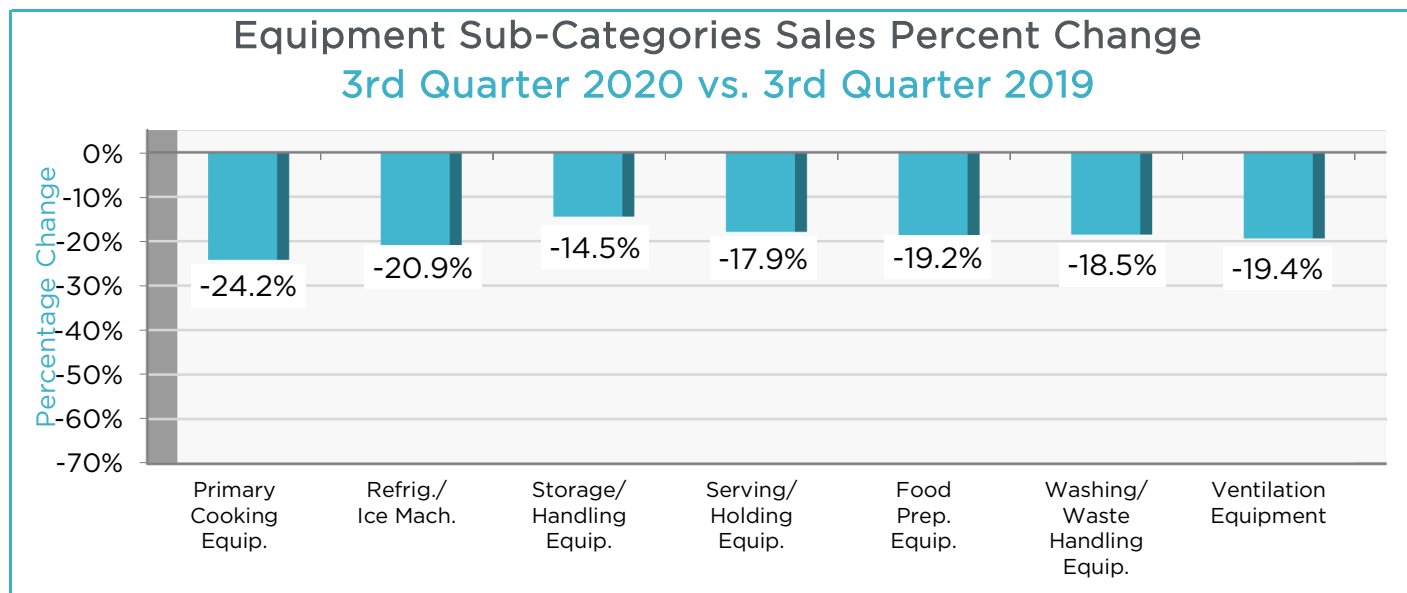
IA, IL, IN, KS, KY, MI, MN, MO, ND, NE, OH, W. PA, SD, WI, WV

WEST includes the states:

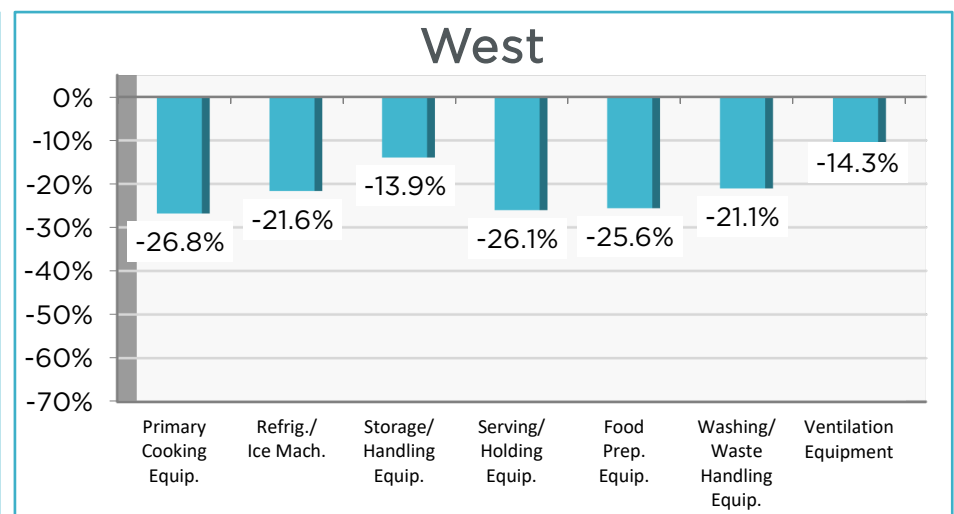
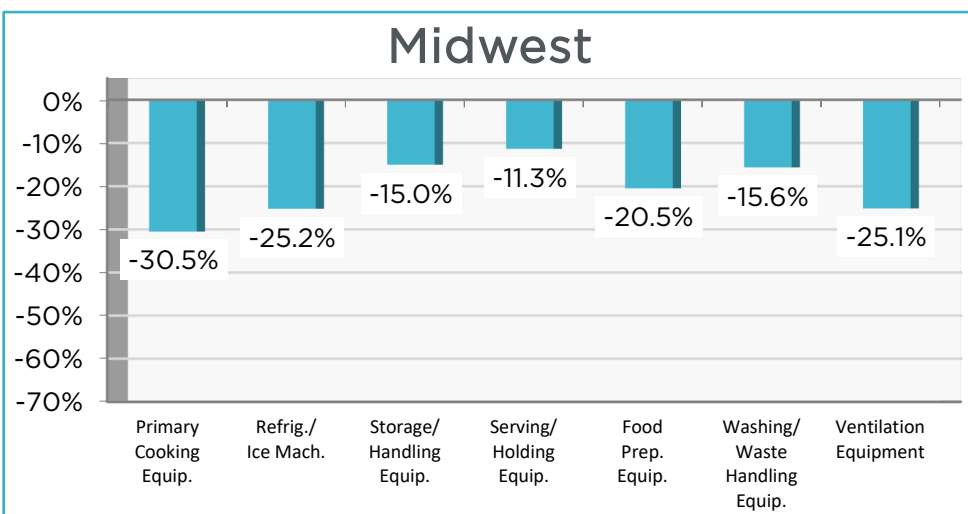
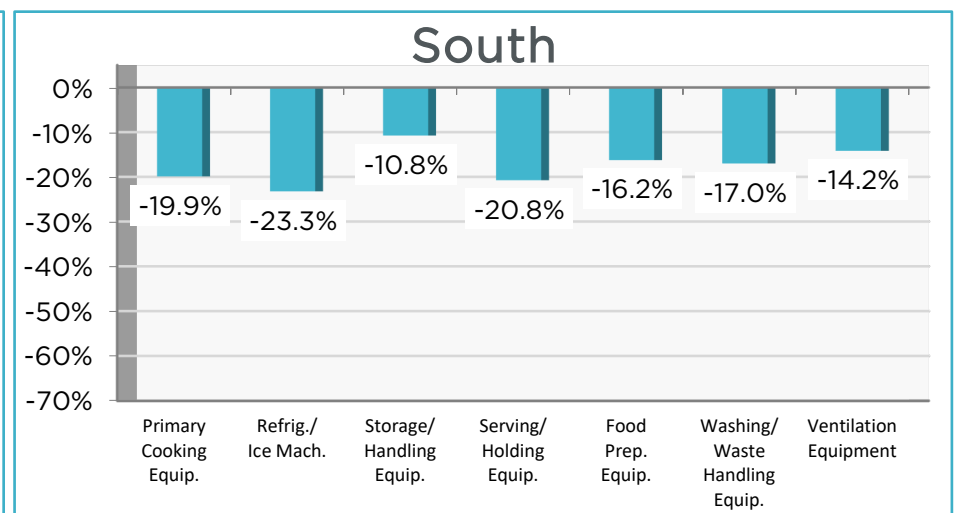
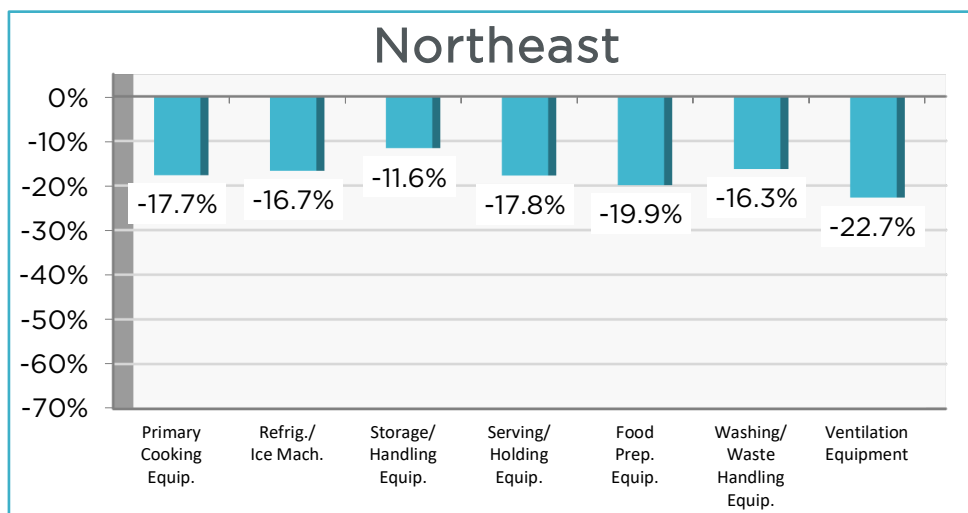
AK, AZ, CA, CO, HI, ID, MT, OR, NM, NV, UT, WA, WY

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 2020 compared to 3rd Quarter 2019 (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:

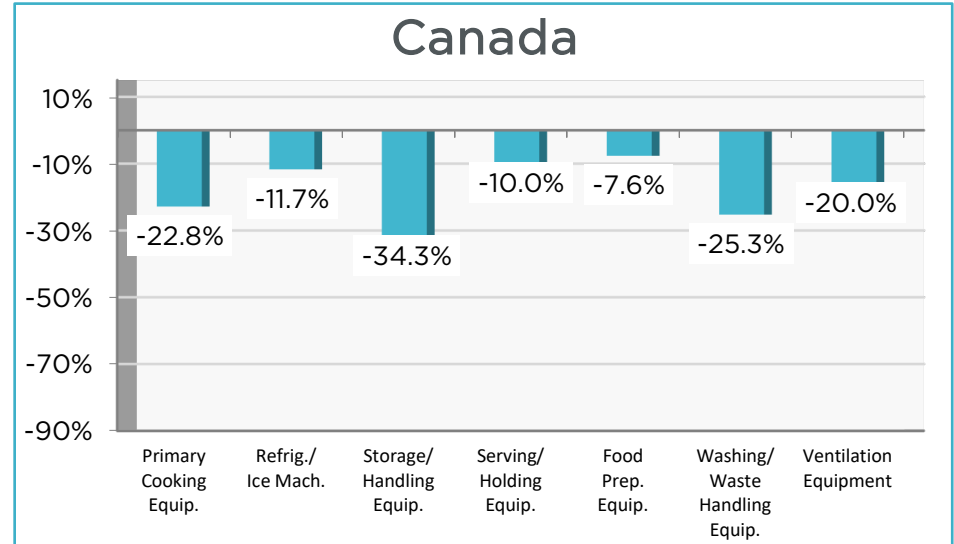
IA, IL, IN, KS, KY, MI, MN, MO, ND, NE, OH, W. PA, SD, WI, WV

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.



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	
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



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

Agences Hamilton Agencies	High Sabatino Associates	R. Henry & Associates
Allied Technologies Food Equipment	Hollander Company	Redco Foodservice Equipment, LLC
Anderson Foodservice Solutions	HRI, Inc.	Schmid-Dewland Associates
Apex Commercial Kitchen Co.	Johnson Pike & Associates, Inc.	Southwest Foodservice Equipment Marketing
Apex Marketing	Kain-McArthur Inc.	Specialized
B Square Enterprises	Kaufmann McKeown Marketing	stage KOLSTAD associates
Beacon Sales Group LLC	Kelly-Mincks	The 2Market Group, Inc.
Bob Waite & Associates	Ken W. Thomson Associates Ltd.	The Burlis-Lawson Group
BWA Reps, Inc.	KLH Marketing, Inc.	The Daly & DeRoma Group, Inc.
Celco Inc.	Lake Effect Sales & Marketing	The Fischer Group
Chrane Foodservice Solutions	Lund-Iorio, Inc.	The Pantano and Pinilla Agency, Inc.
CLV Marketing	MAC Sales & Marketing LTD.	The YES Group
Collis Group, Inc.	Marjon & Associates, Inc.	Thormann Associates
Davis & Associates, Inc.	Master Marketing	TLC Marketing Inc.
DJ Marketing & Associates	Midwest Professional Reps, Inc.	Total Tabletop Plus
E. Ruff & Associates, Inc.	Mirkovich and Associates, Inc.	Tri-State Marketing Associates
Eaton Marketing Associates, Inc.	Nick Mavro & Associates, LLC	Vader & Landgraf, Inc.
Equipment Preference, Inc. (E.P.I.)	ONE SOURCE	Viola Group
Ettinger-Rosini & Associates, Inc.	PB & J Commercial Agents	Voeller & Associates, Inc.
Florida Agents, Inc.	PBAC & Associates LTD	W. D. Colledge Co., Ltd.
FOCUS Hospitality Sales LLC	Pecinka Ferri Associates	Walter Zebrowski Associates
Food Equipment Sales & Marketing Agents, Inc. (FESM Permud Ltd.		Waypoint Commercial Solutions
Food Service Solutions	Preferred Marketing Group	West Coast Food Service Agencies
Forbes, Hever & Wallace, Inc.	Premier Foodservice Group	Wyllie Marketing
Gabriel Group LLC	Premier Marketing Group, Inc.	YBR Marketing, Inc.
Greenwald Sales & Marketing, LLC	Pro-Quip Foodservice Equipment & Supplies Incorporated	Zink Foodservice