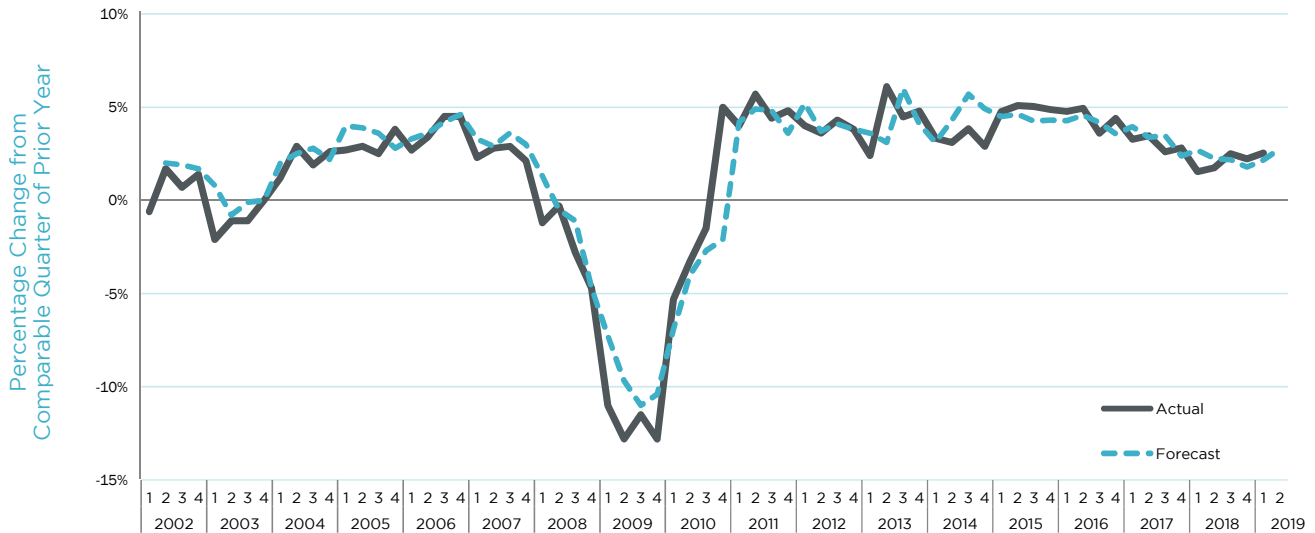


Overall Commercial Foodservice Sales Per Quarter for North America
MAFSI Business Barometer Reports Modest Improvements for Q1 2019



MAFSI Barometer Reports Modest Improvements; Second Quarter 2019 Looks Better

The MAFSI Business Barometer continued in its now familiar "Goldilocks" mode of "not too hot, not too cold" with a modest uptick to +2.5% growth in Q1/19.

Most of the uptick was concentrated in the category of Equipment which advanced from +2.3% in Q4 2018 to 2.7% in Q1/19. This was followed by +2.3% in Tabletop, +1.7% in Supplies and +1.4% in Furniture.

By region, the brunt of the uptick was attributable to a significant advance in the Northeast which improved from +1.6% in Q4/18 to +3.3% in Q1/19. Other regions reported +3.2% in the South, +3.0% in Canada, +2.1% in the West, and +1.5% in the Midwest where wintery weather was a major factor.

For Q2/19 MAFSI Reps are forecasting another modest improvement to +2.8%. This would represent the 41st consecutive quarter of foodservice growth which parallels the overall post-recession expansion of the U.S. economy.

Reps report 30% More Activity with Consultants in contrast to 40% More Activity in Q4/18. Quoting, however, is holding at 44% More Activity in Q1/19 versus 46% More Activity in Q4/18.

The MAFSI Business Barometer now in its 17th year has met recent and occasional criticism as being too conservative in its measurements and projections. In reality, the MAFSI Business Barometer has been "right on the money" in terms of its accuracy. Throughout its history it has been precise in achieving its forecasts, consistent in maintaining measurement criteria and stable in avoiding "knee jerk" reactions to short term disruptions.

Some current concerns on our watch list include the continuing impact of both imposed and threatened tariffs, the "inversion curve" of interest rates which is a recession worry, and a decline in the NRA's Restaurant Performance Index. All in all, continued slow, steady, moderate growth in a stable business economy should provide plenty of opportunities.

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

Qtrly Sales Forecast for North America

Q2/19 vs. Q2/18

2.8%

Yearly Sales Forecast for North America

2019 vs. 2018

3.4%

2018 vs. 2017

3.7%

Quoting Activity for Q1/19 vs. Q4/18

More

44%

Less

14%

No Change

42%

Consultant Activity for Q1/19 vs. Q4/18

More

30%

Less

12%

No Change

58%

Jan San Sales for Q1/19 vs. Q1/18

Equipment

2.1%

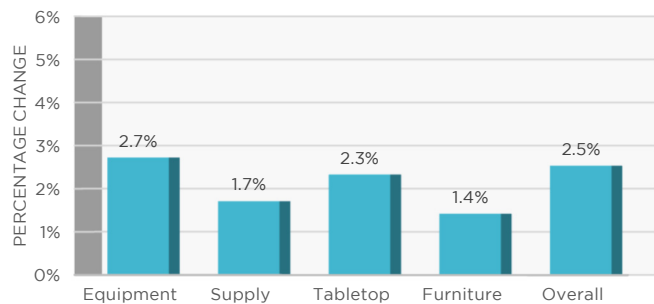
Supplies

1.3%

Disposables

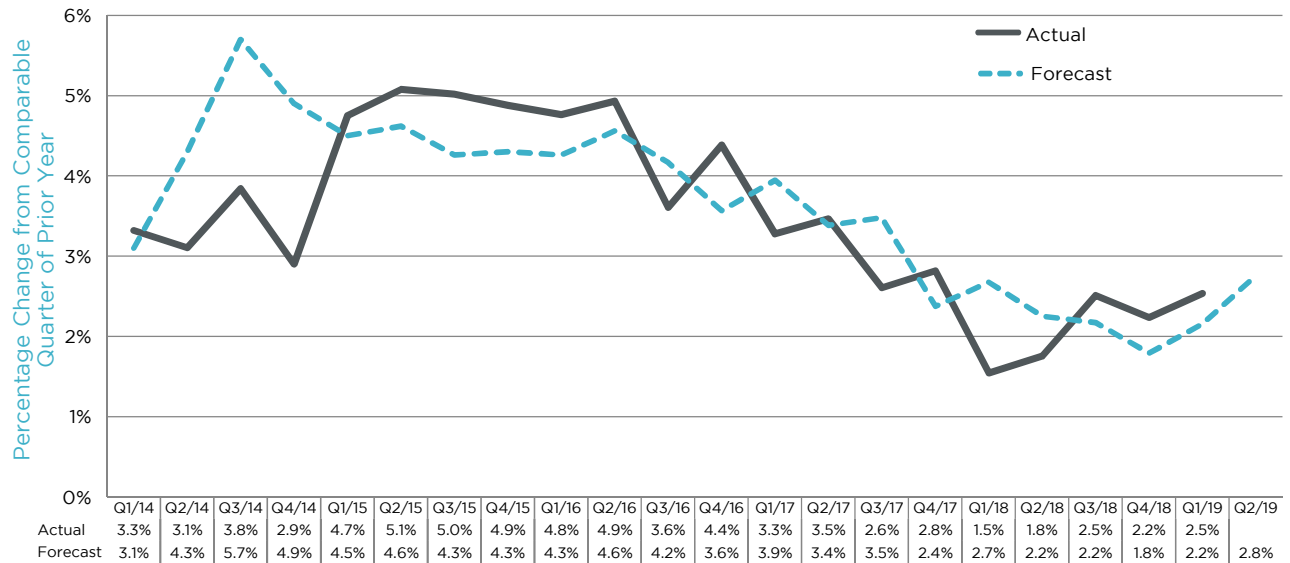
2.1%

1st Quarter 2019
Overall Sales for North America
Q1/2019 vs. Q1/2018 (Jan 1 - Mar 31)

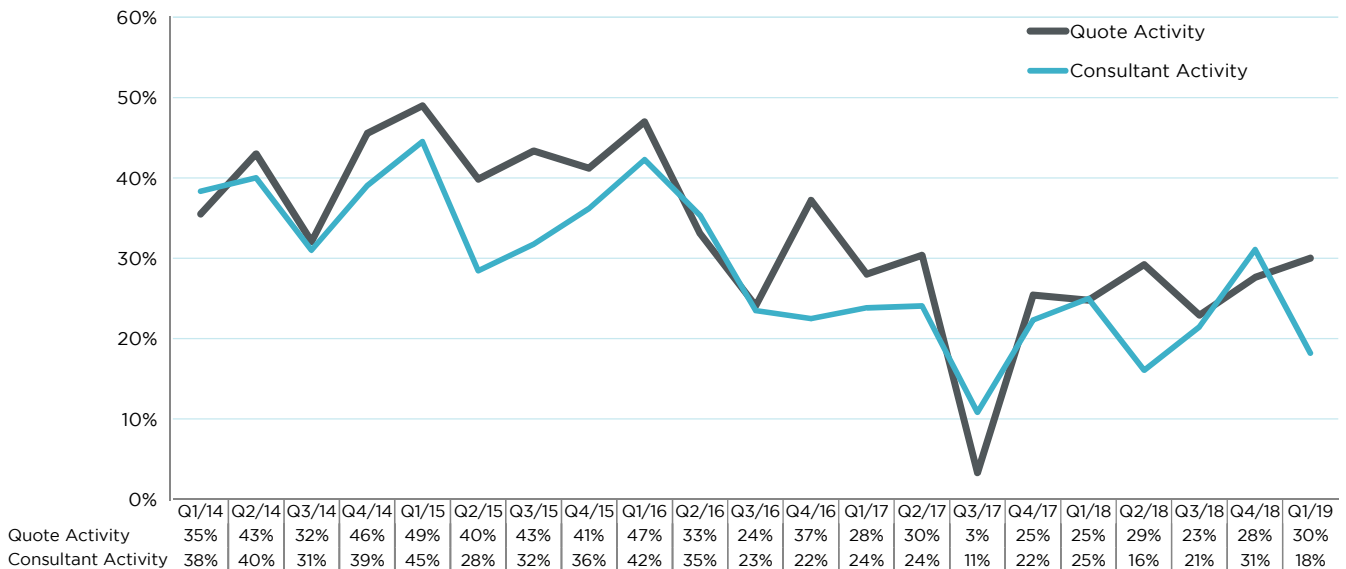


*The overall industry sales growth is calculated using a weighted average based on the percentage of the total sales volume for the overall industry represented by the various sales categories: Equipment (77%), Supplies (6%), Tabletop (11%), and Furnishings (6%). Market numbers are based on the North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

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



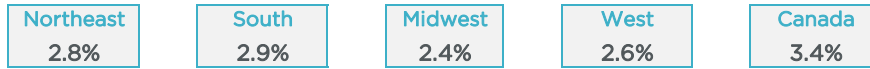
Quotation and Consultant Activity 2014 - 2019



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

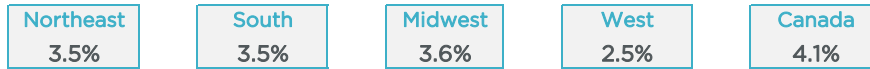
Q2/19 vs. Q2/18 Sales Percentage Change Forecast by Region

2nd Quarter 2019 compared to 2nd Quarter 2018 (Apr 1 - Jun 30)



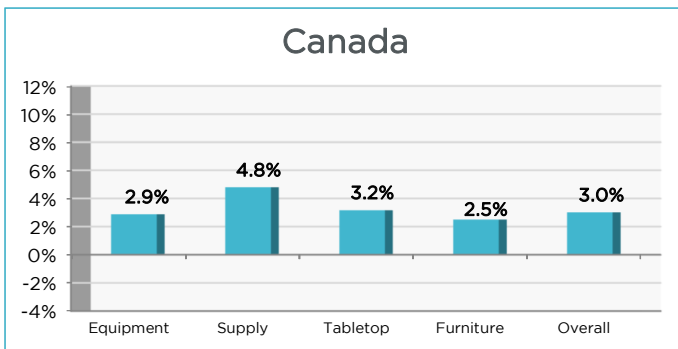
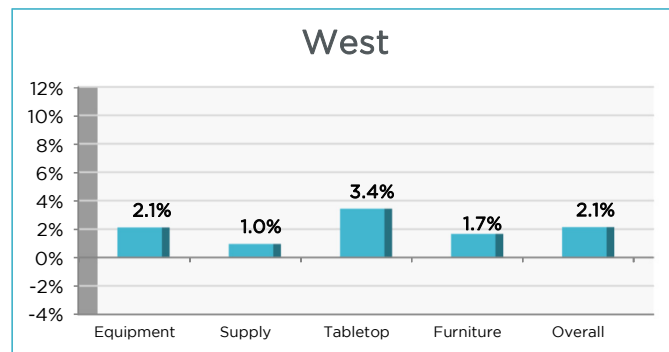
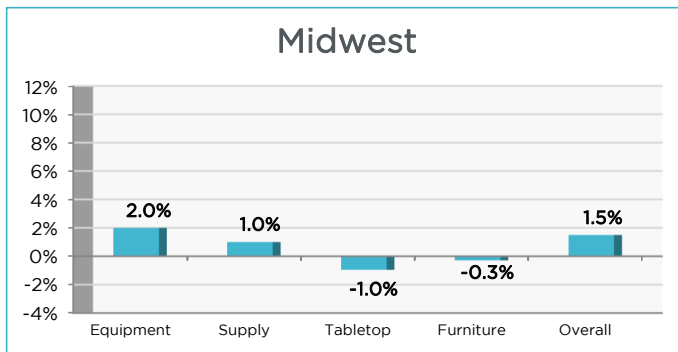
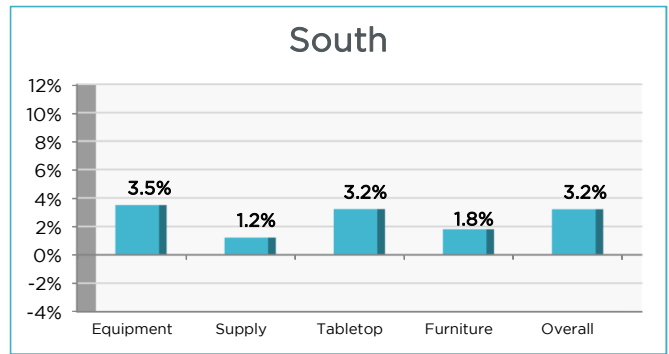
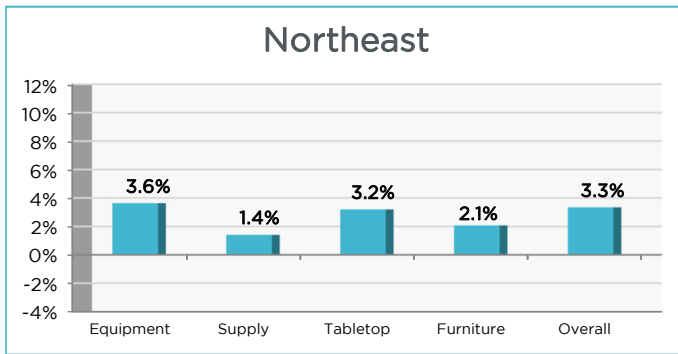
2019 vs. 2018 Overall Sales Forecast by Region

Compared to Overall Sales for 2018



1st Quarter 2019 Sales Percentage Change by Region

1st Quarter 2019 compared to 1st Quarter 2018 (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:

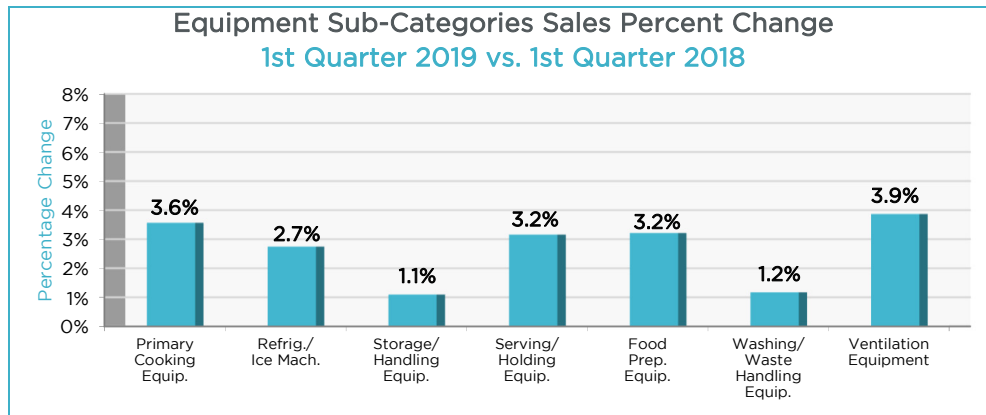
IA, IL, IN, KS, KY, MI, MN, MO, ND, NE, OH, W. PA, SD, WI, WV

WEST includes the states:

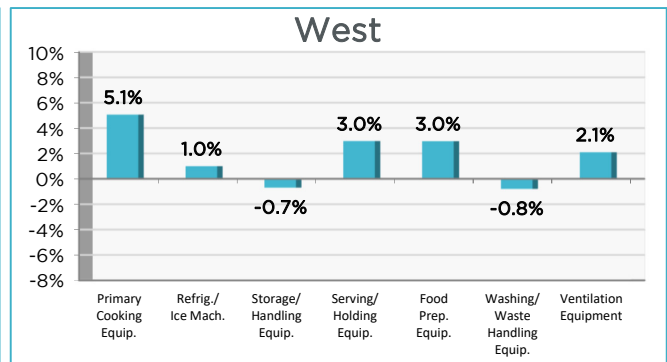
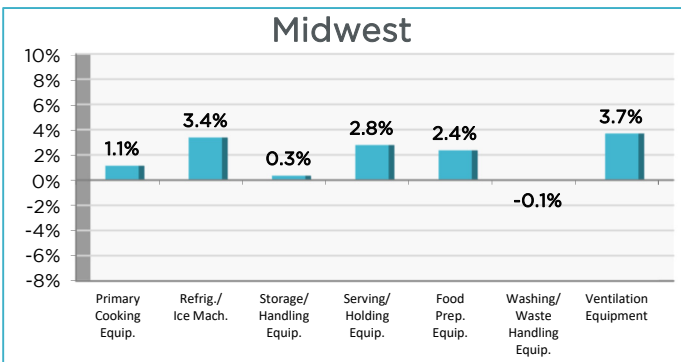
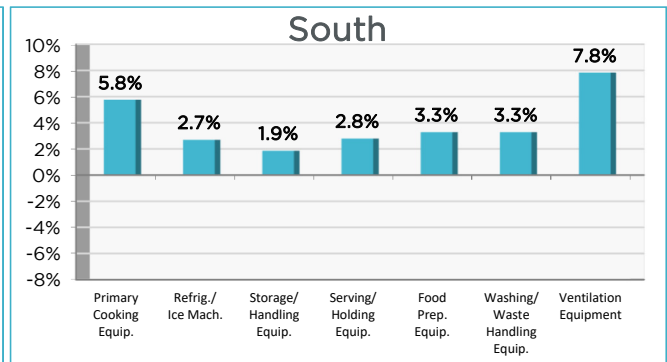
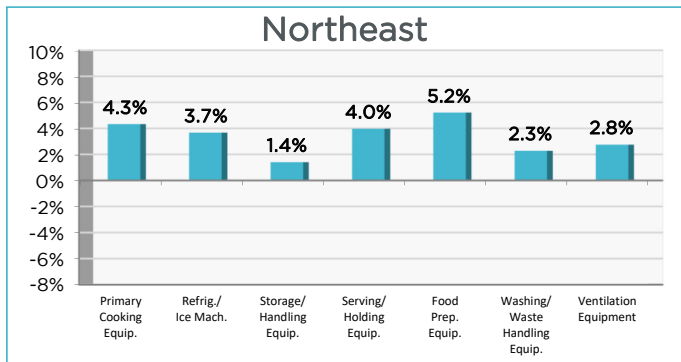
AK, AZ, CA, CO, HI, ID, MT, OR, NM, NV, UT, WA, WY

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 2019 compared to 1st Quarter 2018 (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:

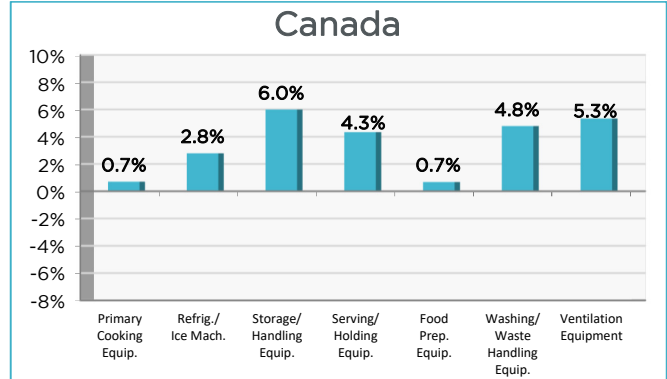
IA, IL, IN, KS, KY, MI, MN, MO, ND, NE, OH, W. PA, SD, WI, WV

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, 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 |



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

Q1/2019 Foodservice Business Barometer Report

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

| | | |
|---|------------------------------------|--|
| Agences Hamilton Agencies | Griffin Marketing Group, Inc. | Premier Marketing Group, Inc. |
| Anderson Foodservice Solutions | Hanna-Young & Associates, Inc. | Professional Manufacturers Representatives, Inc. (PMR) |
| Apex Commercial Kitchen Co. | High Sabatino Associates | Pro-Quip Foodservice Equipment & Supplies Incorporated |
| Apex Marketing | Hollander Company | R. Henry & Associates |
| B Square Enterprises | HRI, Inc. | Redco Foodservice Equipment, LLC |
| Beacon Sales Group LLC | Inform Marketing Group, LLC | Schmid-Dewland Associates |
| Bob Waite & Associates | Johnson Pike & Associates, Inc. | Shamrock Foodservice Equipment Reps. Inc |
| Bowerman Management Group | Kain-McArthur Inc. | Sharkey & Associates |
| Brittan Associates | Kaufmann McKeown Marketing | Southwest Foodservice Equipment Marketing |
| Celco Inc. | KBC Specialty Products, Inc. | Specialized |
| Charles Pace & Associates | Kelly-Mincks | stage KOLSTAD associates |
| Chernoff Sales, Inc. | Ken W. Thomson Associates Ltd. | TD Marketing Company, Inc. |
| Chrane Foodservice Solutions | KLH Marketing, Inc. | The 2Market Group, Inc. |
| Clements-Stella-Gallagher Marketing | Koehler-Borden & Associates, Inc. | The Fischer Group |
| Collis Group, Inc. | Lake Effect Sales & Marketing | The Hansen Group |
| Copperfield Agencies Limited | Lund-Iorio, Inc. | The Pantano and Pinilla Agency, Inc. |
| Courtney Marketing, Inc. | M2 Foodservice Representatives LLC | The Wallin Group, Inc. |
| Cowan Associates | MAC Sales & Marketing LTD. | The Yes Group |
| Davis & Associates, Inc. | Marjon & Associates, Inc. | Thormann Associates |
| Desert Peak Marketing | Midwest Professional Reps, Inc. | TLC Marketing Inc. |
| DJ Marketing & Associates | Mirkovich and Associates, Inc. | Total Tabletop Plus |
| E. Ruff & Associates, Inc. | Mirkovich and Associates, Inc. | Tri-State Marketing Associates |
| Eaton Marketing Associates, Inc. | ONE SOURCE | Vader & Landgraf, Inc. |
| Equipment Preference, Inc. (E.P.I.) | Paglio & Associates, Inc. | Veitch Group |
| Equipment Solutions, Inc. | Paragon Marketing | 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 | Pecinka Ferri Associates | Walter Zebrowski Associates |
| Food Equipment Sales & Marketing Agents, Inc. (FESMA) | Performance Reps Northwest, Inc. | West Coast Food Service Agencies |
| Foodservice Equipment Agents, LLC | Permul Ltd. | Wyllie Marketing |
| Forbes, Hever & Wallace, Inc. | Preferred Marketing Group | YBR Marketing, Inc. |
| Gabriel Group LLC | Premier Foodservice Group | Young Equipment Solutions, Inc. |
| GMV Sales Associates | Premier Marketing Group | Zink Foodservice |
| Greenwald Sales & Marketing, LLC | | |