

Q3/14 Moderate Growth Recorded; Mixed Prospects for Foodservice E&S Ahead

Sales in the third quarter of 2014 improved moderately to +3.8%, up a bit from +3.1% in Q2/14, and +3.3% in Q1/14. This is far short of both the Q3/14 forecast of +5.7%, and the annual Market Forecast for 2014 of +4.9%.

Once again regional variances were acute, ranging from +0.5% in Canada, +2.1% in the Northeast, +3.7% in the Midwest, +4.4% in the South, and +5.9% in the West.

Overall sales for North America by Product Group vary from +1.6% Furnishings, +3.1% Tabletop, +4.0% Supplies, and +4.1% in Equipment; for an overall weighted average of +3.8%.

There is concern that the market is losing some "steam" as 48% of MAFSI Reps are reporting more quoting activity, vs. 56% and 53% the past two quarters.

Furthermore, 39% report more consultant activity, down from 47% and 48% in Q2/14 and Q1/14, respectively. The glass is either half empty, or half full depending on your vantage point.

•Half empty: less quoting, less consultant activity, slower growth, a sluggish global economy, rising healthcare costs, pending minimum wage legislation, and raising material costs.

•Half full: sharply falling energy costs, more disposable income and visits to restaurants, robust job growth, record stock market levels, a strong US dollar, high auto sales, and a healthy U.S. Economy, overall.

A strong case can be made for either position.

Executive summary written by Michael Posternak, PBAC, Eastchester, NY.

Qtrly Sales Forecast for North America

Q4/14 vs. Q4/13

4.9%

Yearly Sales Forecast for North America

2015 vs. 2014

4.1%

2014 vs. 2013

4.9%

Quoting Activity for Q3/14 vs. Q2/14

More

48%

Less

16%

No Change

36%

Consultant Activity for Q3/14 vs. Q2/14

More

39%

Less

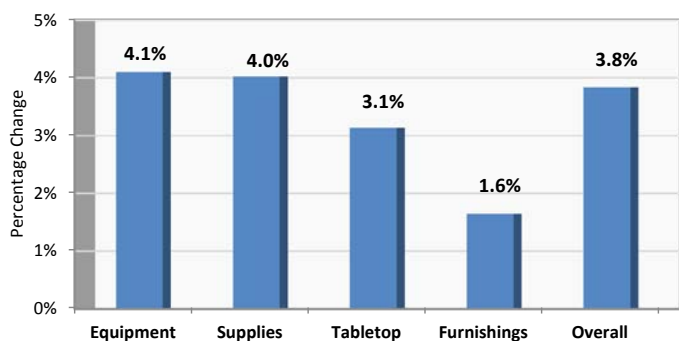
8%

No Change

53%

3rd Quarter 2014 Overall Sales for North America

Q3/2014 vs. Q3/2013 (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 (76%), Supplies (7%), 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
Q3/2014 Report

Q4/14 vs. Q4/13 Sales Percentage Change Forecast by Region

3rd Quarter 2014 compared to 3rd Quarter 2013 (Jul 1 - Sep 30)

Northeast 2.0%	South 6.2%	Midwest 5.3%	West 4.6%	Canada 5.4%
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2014 vs. 2013 Overall Sales Forecast by Region

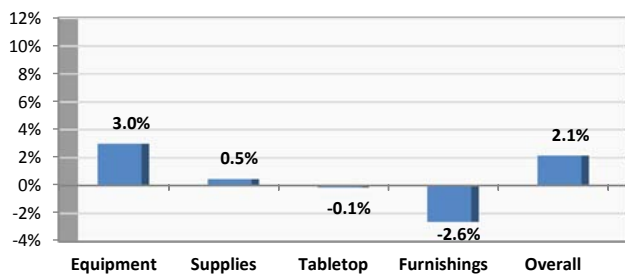
Compared to Overall Sales for 2013

Northeast 4.3%	South 4.9%	Midwest 4.6%	West 5.1%	Canada 5.5%
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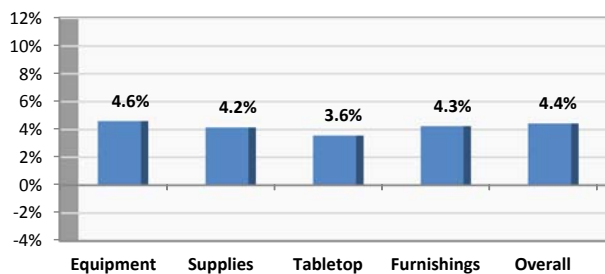
3rd Quarter 2014 Sales Percentage Change by Region

3rd Quarter 2014 compared to 3rd Quarter 2013 (Jul 1 - Sep 30)

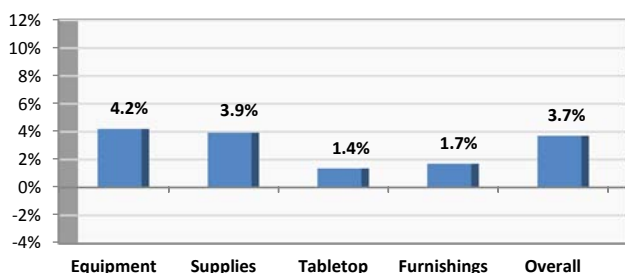
Northeast



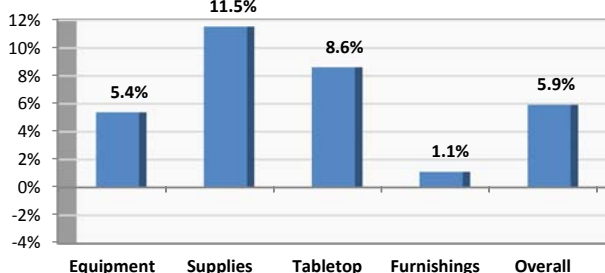
South



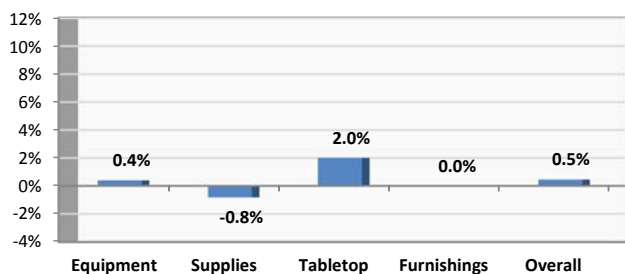
Midwest



West



Canada



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:

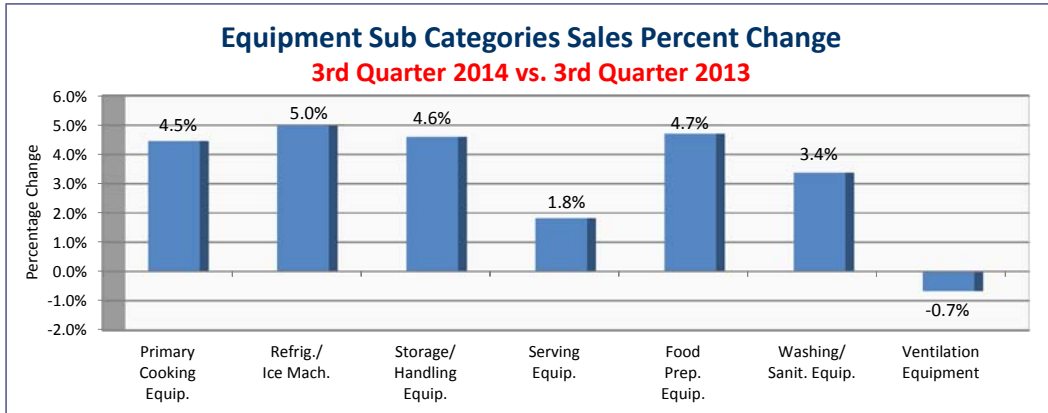
AK, AZ, CA, CO, HI, ID, MT, OR, NM, NV, UT, WA, WY

CANADA includes all provinces and territories in Canada.

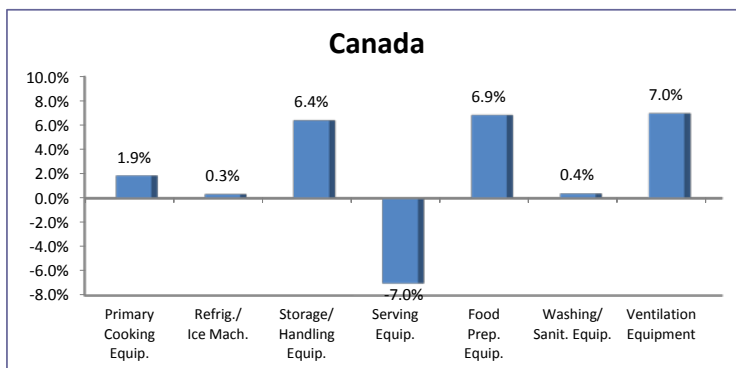
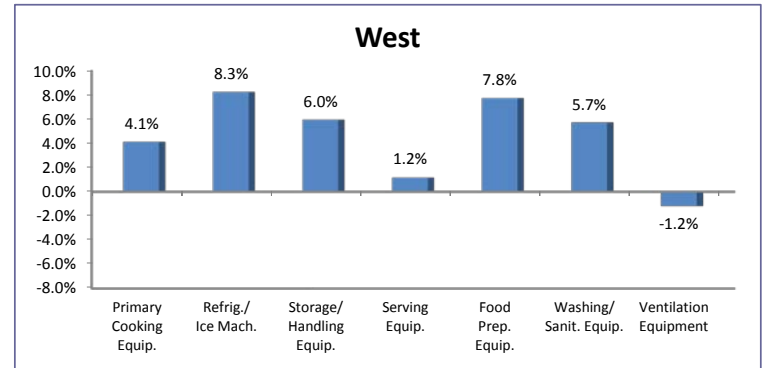
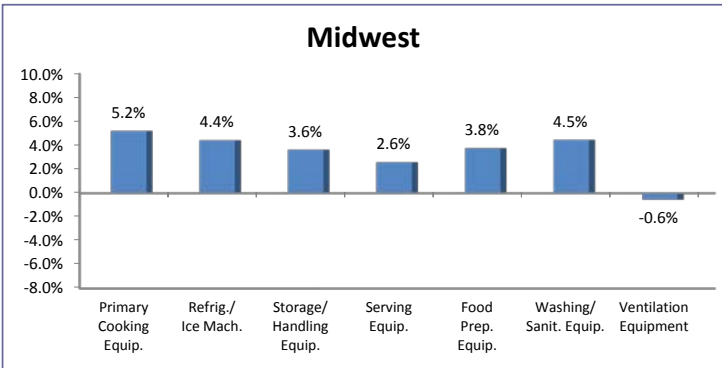
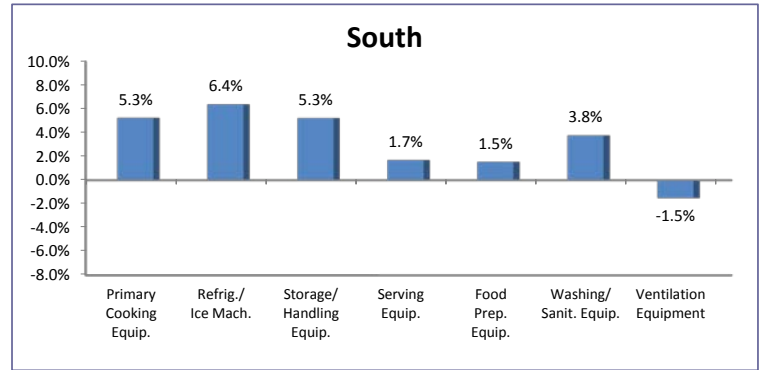
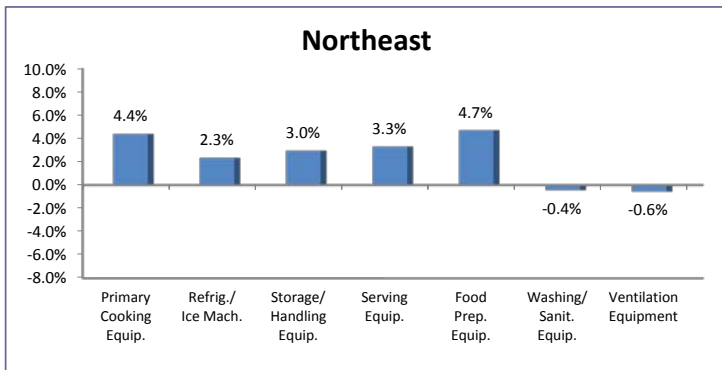
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Q3/2014 Equipment Sub-Categories Business Barometer Report



Equipment Sub Categories Sales Percent Change by Region 3rd Quarter 2014 compared to 3rd Quarter 2013 (Jul 1 - Sep 30)



MAFSI BUSINESS BAROMETER CATEGORY PRODUCT LIST

MAIN CATEGORIES	
Equipment	Food Preparation Equipment, Primary Cooking Equipment, Refrigeration & Ice Machines, Serving Equipment, Storage & Handling Equipment, Ventilation, Warewashing & Sanitation Equipment
Supplies	Bar Supplies, Buffetware, Can Openers, Cleaning Tools, Colanders, Cookware, Cutting Boards, Knives/Cutlery Blocks/Sharpeners, Menu/Message Boards, Mixing Bowls, Pans, Storage, Textiles (Kitchen), Utensils (Kitchen)
Tabletop	Baskets, Beverage Pitchers/Servers, Buckets (Ice & Wine), Candle Holders/Lamps, Candle & Chafing Fuel, Carafes/Decanters, Chafers, Covers, Dinnerware, Flatware, Glassware/Stemware, Menu Covers, Salt & Pepper Shakers, Serving Bowls/Plates, Servingware, Trays, Tray Stands
Furniture	Baby-Changing Stations, Bars (Stationary & Mobile), Benches, Booths, Cabinets, Chairs, Coat Racks, Drive Through Windows, Lamps (Dining/Table), Signs, Patio/Outdoor Heaters, Railings & Railings Fittings, Stools, Tables, Table Bases, Table Cloths, Umbrellas
SUB-CATEGORIES	
Primary Cooking Equipment	Braising Pans, Broilers, Charbroilers, Cook-Chill Systems, Fryers, Griddles, Grills, Oil Filtration Systems, Ovens, Panini Grills, Pasta Cookers, Ranges, Rice Cookers, Smokers, Steamers, Tilting Skillets, Toasters
Refrigeration & Ice Machines	Air Curtains, Blast Chillers, Coolers, Doors, Drop-In Pan Chillers, Freezers, Ice Cream Cabinets, Ice Machines, Refrigeration, Refrigeration Compressors, Condensers & Evaporators, Slush/Smoothie Machines, Soft-Serve Ice Cream/Yogurt Machines, Water Filter Systems
Storage & Handling Equipment	Bins, Bus/Tote Boxes, Cabinets, Carts, Conveyor Systems, Covers, Dispensers (non-food), Dollies, Food & Ingredient Canisters & Containers, Hand Trucks/Utility Trucks, Racks, Receiving Scales, Shelving, Tables (Standard Work Tables not Custom Fabricated) (Bakers, Cooks, Makeup, Prep, Etc.)
Serving Equipment	Beverage Dispensers, Carving Stations, Coffee Equipment, Food Dispensers, Food Shields, Merchandisers, Salad Bars/Tabletop Food Bars, Serving/Buffer Lines, Serving Carts, 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, Popcorn Carts/Machines, Salad/Vegetable Washers & Dryers, Scales, Slicers, Thermometers/Temperature Monitoring, Timers
Ventilation	Appliance Connectors, Grease/Exhaust Filters, Grease Interceptors, Fire Suppression Systems/Fire Extinguishers, HVAC - Exhaust Systems, Fans, Utility Distribution Systems, Ventilation & Hoods
Warewashing & Sanitation Equipment	Booster Heaters, Brooms, Dusts Mops, etc., Brushes (Equipment Cleaning Brushes, Scouring Pads, etc.), Can & Bottle Crushers, Can Washers, Carpet Sweepers, Vacuums, Floor & Carpet Care Products, Carts (Janitorial), Drainboards, Faucets/Spray Units/Washers/Hoses, Flatware-Handling/Recovery Systems, Floor Troughs & Drains, Mats (Anti-Fatigues, Bar, Rubber, etc.), Mops, Buckets & Pails, Pulpers & De-Water Equipment, Racks (Warewashing/Dishwashing Racks), Sinks, Tables (Dish), Warewashing/Dishwashing Machines, Waste Bins & Recycling Containers, Waste Compactors, Waste Disposal Systems