



***The commercial foodservice industry's most definitive non-food sales/trend indicator***  
**Q1/2016 Foodservice Business Barometer Report**

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

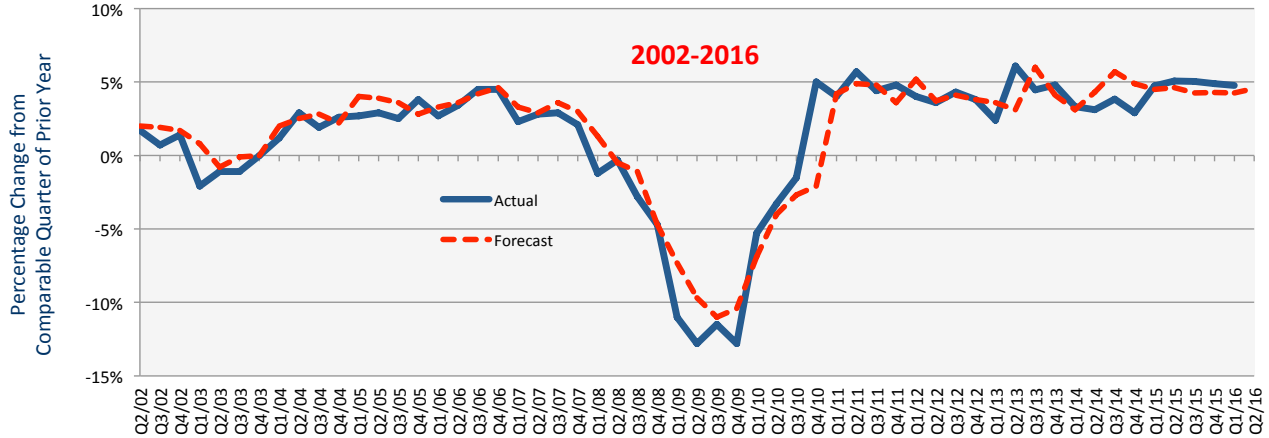
4 Star Representatives Inc.	Forbes, Hever & Wallace, Inc.	Preferred Marketing Group
Acosta Cornerstone	Forlenza & Associates	Premier Marketing Group, Inc.
Acosta Cornerstone Carolinas	Gabriel Group, Inc.	Pro Foodservice Reps Limited
Adams Marketing & Sales	Gibbs & Associates, Inc.	Pro/Line Marketing, Inc.
Advanced Culinary Systems	GMV Sales	Professional Manufacturers Representatives, Inc. (PMR)
Advantage Marketing Group	Griffin Marketing Group, Inc.	Professional Reps
Agences Hamilton Agencies	Hanna-Young & Assoc., Inc.	Pro-Pacific Agents, Inc.
Apex Commercial Kitchen Co.	Hatch Jennings, Inc.	Pro-Quip Foodservice Equipment & Supplies
Apex Marketing	High Sabatino Associates	R. Henry & Associates
ARB Sales and Marketing	HODAK Sales	Rabco Foodservice Limited
Associated Marketing Agents	Hospitality Reps Inc.	Raleigh W. Johnson & Company
Bauer Marketing Group, Inc.	HRI, Inc.	Redco Foodservice Equipment, LLC
Beacon Sales Group LLC	Inform Marketing Group, LLC	Rep Concepts LLC
Bethco Agencies Ltd.	Integra Marketing, Inc.	Roller & Associates
Bob Waite & Associates	J. Wilson Marketing Ltd.	Roy Siegel & Associates
Bowerman Marketing Group	Johnson Commercial Agents	Schmid-Dewland Associates
Brittan Associates	Johnson Pike & Associates, Inc.	Searles Associates, Inc.
Butkevich Associates	Kain-McArthur Inc.	Shamrock Foodservice Equipment Reps. Inc
Carman-Girard Associates	Kaufmann & Associates	Southwest Foodservice Equipment Marketing
Chernoff Sales, Inc.	KBC Specialty Products, Inc.	Specialized Marketing of Wisconsin
Chesher Equipment, Ltd.	Kelly-Mincks	Specialty Equipment Sales Company (SESCO)
Chrane Foodservice Solutions	Ken W. Thomson Associates Ltd.	stage KOLSTAD associates, Inc.
Claes & Greenoe Marketing Group	KLH Marketing, Inc.	TD Marketing Company, Inc.
Clark, Malone & Associates, Inc.	Koehler-Borden & Associates, Inc.	Tepper & Associates, Inc.
Clemens Profit Group	Lake Effect Sales & Marketing	The 2Market Group, Inc.
Clements-Stella-Gallagher Marketing	Lehr McKeown Marketing, Inc.	The Burlis-Lawson Group
Collis Group, Inc.	Link2 Hospitality Solutions	The Daly & DeRoma Group, Inc.
Commercial Kitchen Reps, Inc.	Lobo Reps. International, LLC	The Fischer Group
Copperfield Agencies Limited	Lund-Iorio, Inc.	The Hansen Group
Courtney Marketing, Inc.	MAC Sales & Marketing LTD.	The Redstone Group
Cowan Associates	Main Street Marketing	The Yes Group
Dave Swain Associates, Inc.	Marjon & Associates, Inc.	Thormann Associates
Davis & Associates, Inc.	Marketing Agents South, Inc.	TLC Marketing Inc.
Desert Peak Marketing	Master Marketing	Total Source Equipment & Supply
Downing Management	Maxwell-McKenney Inc.	Total Table Top Plus
DRC Marketing Group	McGirr, Inc.	TRC Marketing, Inc.
Dynamic Equipment Solutions	Midwest Professional Reps, Inc.	Tri-State Marketing Associates
EasyBar of Minnesota, Inc.	Miller & Associates	Vader & Landgraf, Inc.
Eaton Marketing Associates, Inc.	Mirkovich & Associates, Inc.	Velkey & Associates
Elevation Rep's of the Rockies	Mirkovich & Associates, Inc.	Viola Group
Elite Foodservice Solutions	monobloc LLC, Inc	Voeller & Associates, Inc.
Equipment Preference, Inc. (E.P.I.)	Nick Mavro & Associates, LLC	W. D. Colledge Co., Ltd.
Equipment Solutions, Inc.	North Star Agency, LLC	Walter Zebrowski Associates
E-Source, Inc.	ONE SOURCE	WB Marketing LLC
Ettinger-Rosini & Associates, Inc.	Paglio & Associates, Inc.	West Coast Food Service Marketing
Finn Marketing Group	PB & J Commercial Agents	William Horn & Associates
Florida Agents, Inc.	Pecinka Ferri Associates	Woolsey & Associates, Inc.
Florida REPS, Inc.	Performance Food Equipment Group, Inc.	Wyllie Marketing
Food Equipment Sales & Marketing Agents, Inc. (FESMA)	Permul Ltd.	Young Equipment Solutions, Inc.
Food Service Systems	Posternak Bauer Aitkenhead Cantamessa	Zink Foodservice Group



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**Overall Commercial Foodservice Sales Per Quarter for North America**

**Continued Solid Gains in E&S Sales in First Quarter; Steady Expectations for 2Q/16**



**Continued Solid Gains in E&S Sales in First Quarter; Steady Expectations for 2Q/16**

The market for foodservice equipment and supplies began 2016 with a solid gain of 4.8%, which outperformed the Q1 Forecast of 4.3%

Sales growth was very even across the United States, and as follows: Midwest 4.5%, South 5.1%, North 5.3%, and the West 5.5%. A very mild winter surely helped these numbers as restaurants experienced fewer "lost meals" than normal. On the other hand, Canada is still suffering from the World Wide Oil Glut and grew by only 1.5%. By product type, Equipment led the way with an increase of 5.1%, Tabletop 4.7%, Supply 4.0%, and Furniture only 2.8%.

For Q2/16, reps are forecasting steady growth of 4.6%. Quoting Activity improved to near record levels with 57% quoting MORE, 33% reporting NO CHANGE, and only 10% quoting LESS. In tandem to this, 45% of reps report MORE consultant activity, 45% NO CHANGE, and only 10% LESS. The consistency of all of this data, which measure both past and future sales at different points in the order stream, is quite remarkable and bodes quite well for our industry. It should be pointed out that this survey compiles the responses of over 150 MAFSI members from a total roster of 268 firms for a 56% response rate. This is extraordinary participation for a voluntary survey (20% is considered good).

In retrospect, the foodservice E&S market has been moving at about a 4.8% annual rate for the past six years in an economy that has only increased by 1.5% to 2.0% yearly. The key question is: how has our industry outperformed the overall economy by so much for this extended period? As the unemployment rate dropped from 10% to 5%, 13 million new jobs were added which benefits the B&I segment. Crude oil prices dropped from \$100/barrel to now \$46/barrel which adds disposable income and leads to greater travel and more meals away from home. K-12 schools, colleges, universities, as well as healthcare and senior care are near recession-proof with strong demographics. Add it all up, compare to other markets, and it is easy to conclude that foodservice is a high growth market.

Executive Summary written by:  
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**Qtrly Sales Forecast for North America**

**Q2/16 vs. Q2/15**  
**4.6%**

**Yearly Sales Forecast for North America**

**2016 vs. 2015** **2015 vs. 2014**  
**4.5%** **4.1%**

**Quoting Activity for Q1/16 vs. Q4/15**

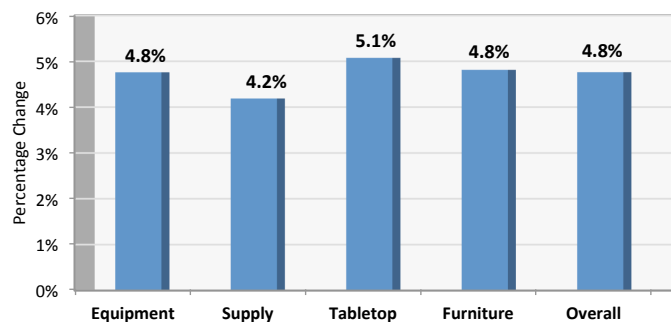
**More** **Less** **No Change**  
**57%** **10%** **33%**

**Consultant Activity for Q1/16 vs. Q4/15**

**More** **Less** **No Change**  
**49%** **7%** **44%**

**1st Quarter 2016  
 Overall Sales for North America**

**Q1/2016 vs. Q1/2015 (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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### Q2/16 vs. Q2/15 Sales Percentage Change Forecast by Region

2nd Quarter 2016 compared to 2nd Quarter 2015 (Apr 1 - Jun 30)

<b>Northeast</b> 4.4%	<b>South</b> 5.3%	<b>Midwest</b> 3.9%	<b>West</b> 5.2%	<b>Canada</b> 3.3%
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### 2016 vs. 2015 Overall Sales Forecast by Region

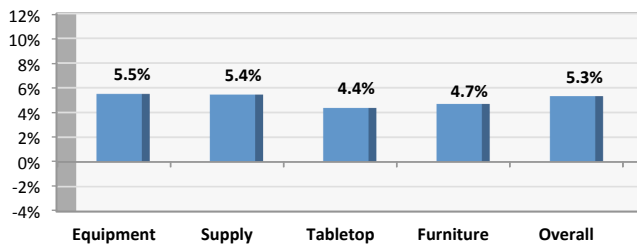
Compared to Overall Sales for 2015

<b>Northeast</b> 3.9%	<b>South</b> 4.4%	<b>Midwest</b> 5.0%	<b>West</b> 5.0%	<b>Canada</b> 3.4%
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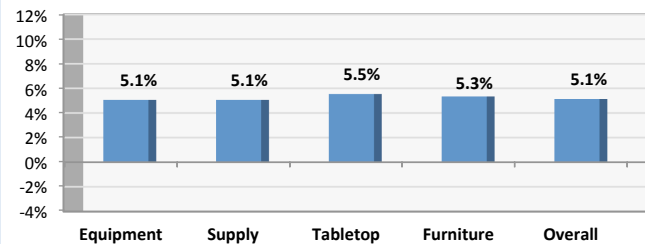
### 1st Quarter 2016 Sales Percentage Change by Region

1st Quarter 2016 compared to 1st Quarter 2015 (Jan 1 - Mar 31)

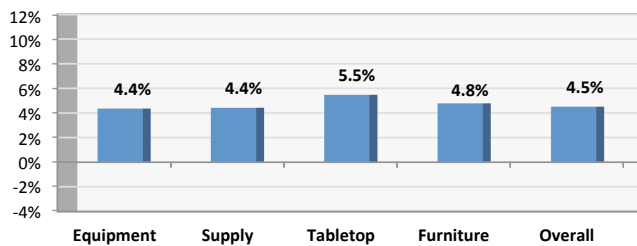
#### Northeast



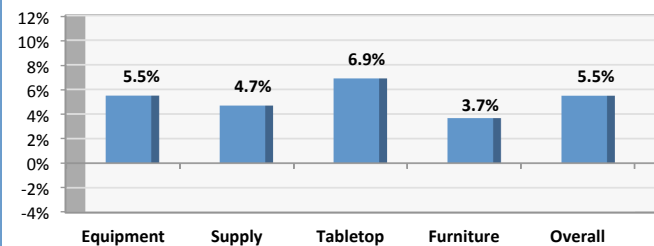
#### South



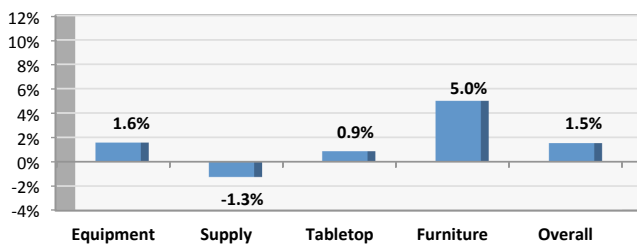
#### Midwest



#### 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.

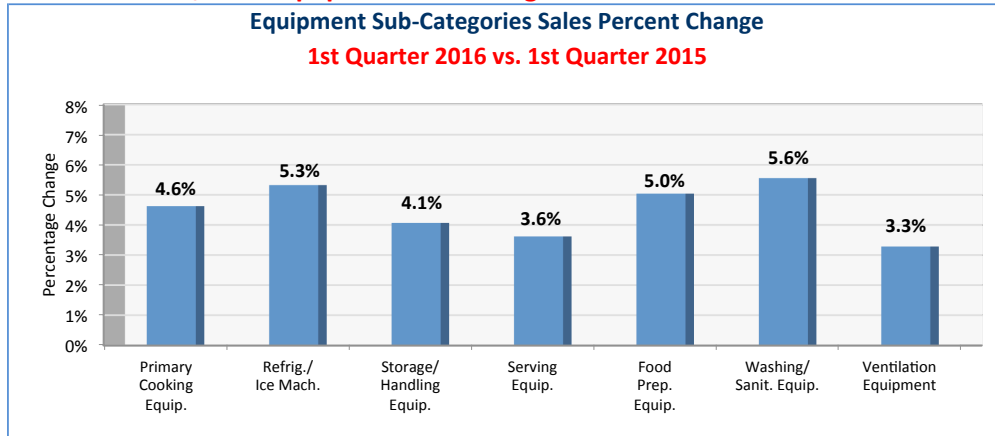
\*The overall industry sales growth is calculated using a weighted average based on the percentage of the total sales volume for the overall industry represented by the various sales categories: Equipment (77%), Supplies (6%), Tabletop (11%), and Furnishings (6%). Market numbers are based on the North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

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### Q1/2016 Equipment Sub-Categories Business Barometer

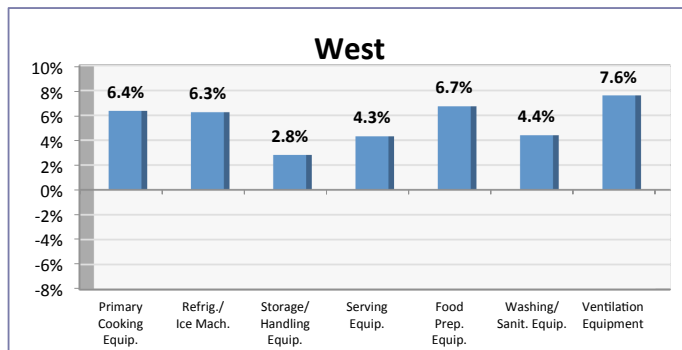
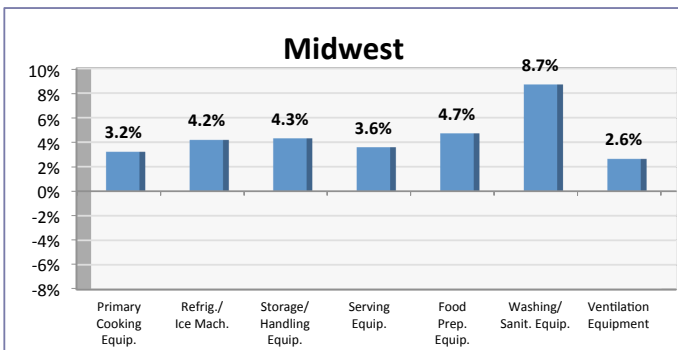
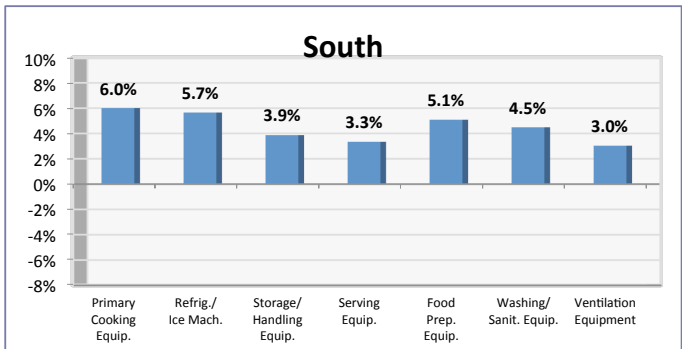
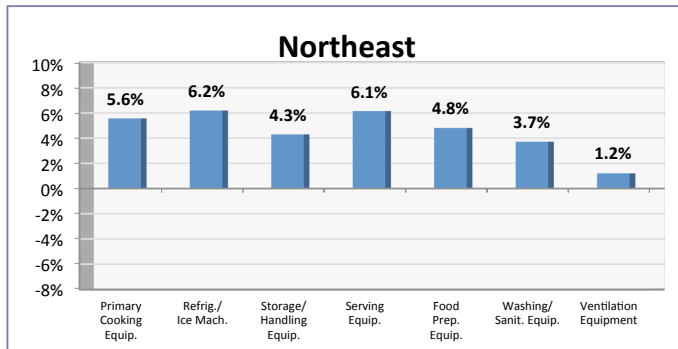
#### Equipment Sub-Categories Sales Percent Change

1st Quarter 2016 vs. 1st Quarter 2015



#### Equipment Sub-Categories Sales Percent Change by Region

1st Quarter 2016 compared to 1st Quarter 2015 (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:

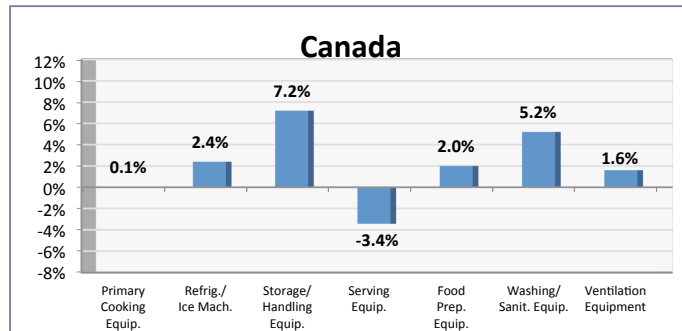
IA, IL, IN, KS, KY, MI, MN, MO, ND, NE, OH, W. PA, SD, WI, WV

#### 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 (26%), Refrigeration/Ice Machines (32%), Storage/Handling (9%), Serving (16%), Food Prep (7%), Warewashing (10%) from the (NAFEM) biennial "Size & Shape of the Industry" study. Ventilation not weighted.



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## Business Barometer Category Product List

Please note: As of q3, 2015, "Menu and Message Boards" (previously calculated in Supplies) are now in Tabletop, and "Thermometers and Temperature Monitoring Devices" (previously in Food Preparation Equipment) are now in Supplies.

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, Mixing Bowls, Pans, Storage, Thermometers/Temperature Monitoring, 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, Menu/Message Boards, 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, Timers
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
Ventilation	Appliance Connectors, Grease/Exhaust Filters, Grease Interceptors, Fire Suppression Systems/Fire Extinguishers, HVAC - Exhaust Systems, Fans, Utility Distribution Systems, Ventilation & Hoods