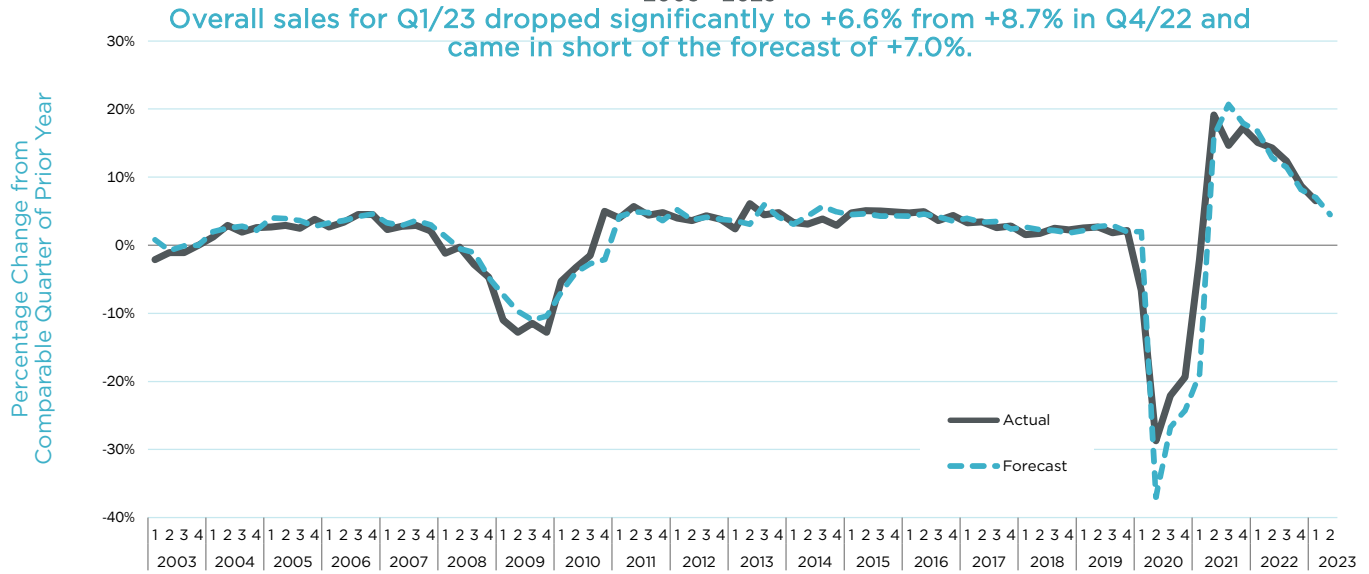


Overall Commercial Foodservice Sales Per Quarter for North America 2003 - 2023



Industry Sales Growth Continues to Flatten As Business Normalizes, Second Half Looks More Challenging

Overall sales for Q1/23 dropped significantly to +6.6% from +8.7% in Q4/22 and came in short of the forecast of +7.0%. This represented the 7th quarter of slippage from the Covid Recovery peak of Q2/21 of +20.7%. A further drop to +4.5% is forecast for Q2/23. To put this drop in perspective however, one must consider that over the long haul our industry has grown traditionally in the range of 3-5% annually. In actuality, we are normalizing.

Manufacturers are reporting sharp declines in lead times and corresponding incoming order rates. This is due to four main functions: many dealers are overstocked, the lessened need to advance order to insure "on time" delivery, the expectation of stability/decline in pricing after high inflation, and the lessening of demand for higher priced products given the need for a "return on investment" at the end-user level.

A somewhat positive sign is the stability in both Consultant and Quotation Activity as reflected in the below graphs.

Sales growth by product area was nearly uniform at +6.7% Tabletop, +6.6% Equipment, +6.1% Supply, and +5.5% Furniture, for an overall increase of +6.6%. Geographically, sales growth ranged from +8.8% South, +7.0% Northeast, +6.7% Midwest, +5.9% West, to +4.2% Canada.

Overall, business is looking likely to be stable in the 2nd quarter, but concerns are rising for the 2nd half of 2023 and beyond. The impact of higher interest rates may be taking a toll on demand for food service products.

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

Qtrly Sales Forecast for North America
Q2/23 vs. Q2/22
4.5%

Yearly Sales Forecast for North America
2023 vs. 2022 2022 vs. 2021
5.9% 11.3%

Quoting Activity for Q1/23 vs. Q4/22

More	Less	No Change
41%	22%	37%

Consultant Activity for Q1/23 vs. Q4/22

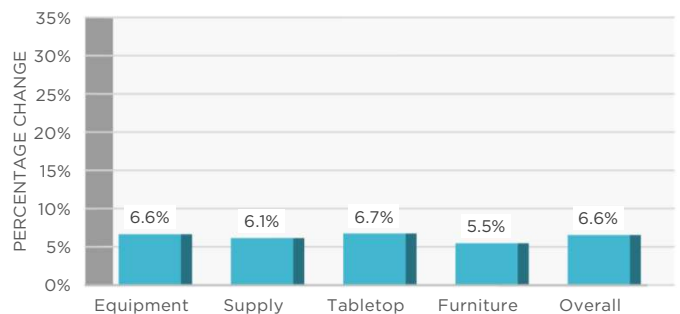
More	Less	No Change
28%	9%	63%

Jan San Sales for Q1/23 vs. Q1/22

Equipment	Supplies	Disposables
3.9%	6.2%	2.4%

1st Quarter 2023 Overall Sales for North America

Q1/2023 vs. Q1/2022 (Jan 1 - Mar 31)



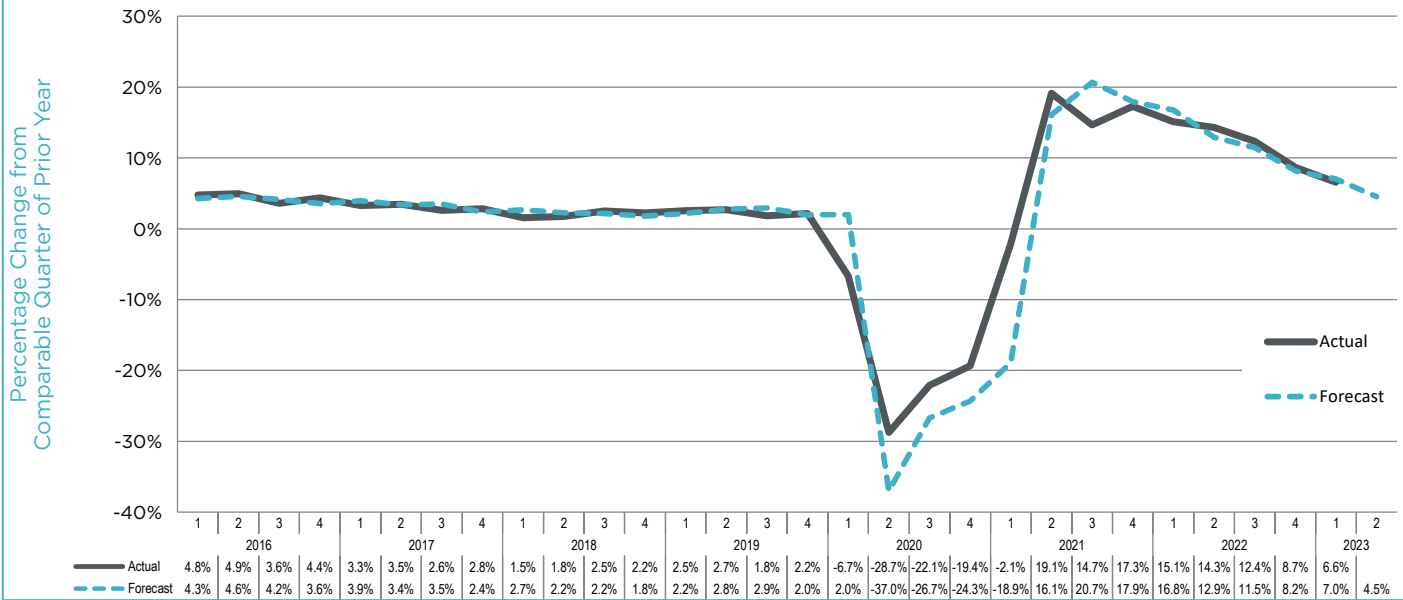
*The overall industry sales growth is calculated using a weighted average based on the percentage of the total sales volume for the overall industry represented by the various sales categories: Equipment (77%), Supplies (6%), Tabletop (11%), and Furnishings (6%). Market numbers are based on the North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



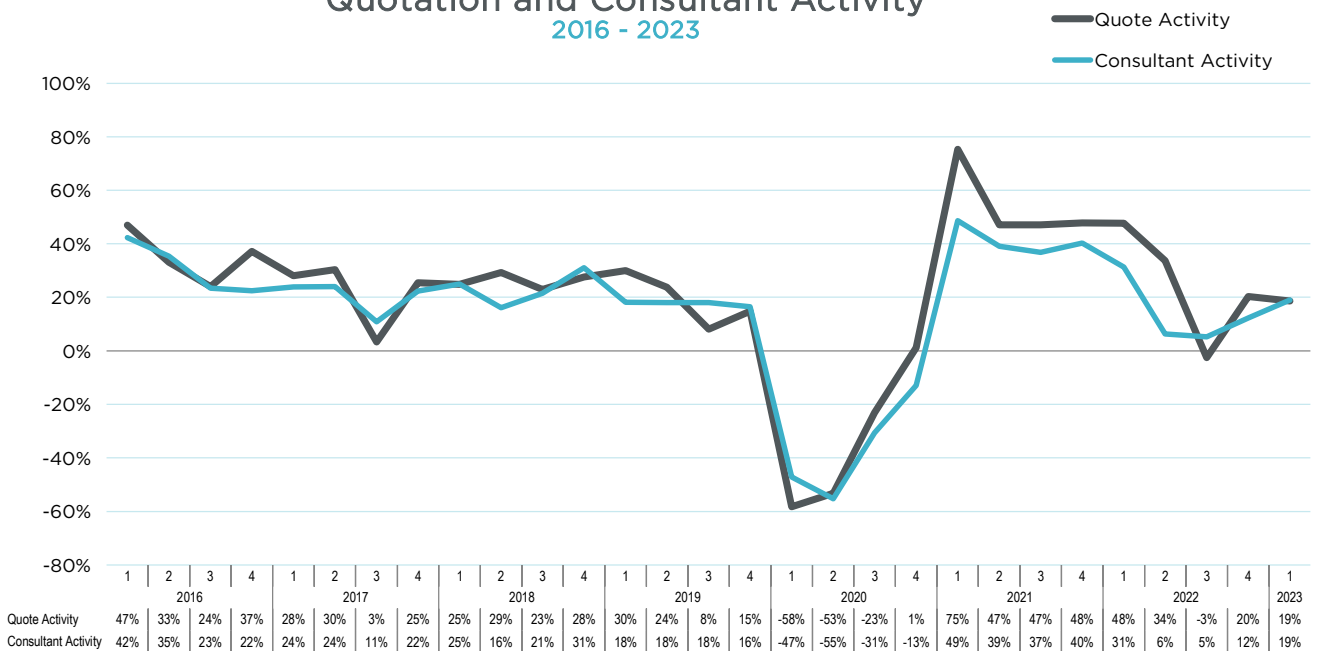
Q1/2023 Foodservice Business Barometer Report

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

Overall Commercial Foodservice Sales Per Quarter for North America 2016 - 2023



Quotation and Consultant Activity 2016 - 2023



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



Q2/23 vs. Q2/22 Sales Percentage Change Forecast by Region

2nd Quarter 2023 compared to 2nd Quarter 2022 (Apr 1 - Jun 30)

Northeast 2.0%	South 8.8%	Midwest 4.3%	West 10.9%	Canada 1.0%
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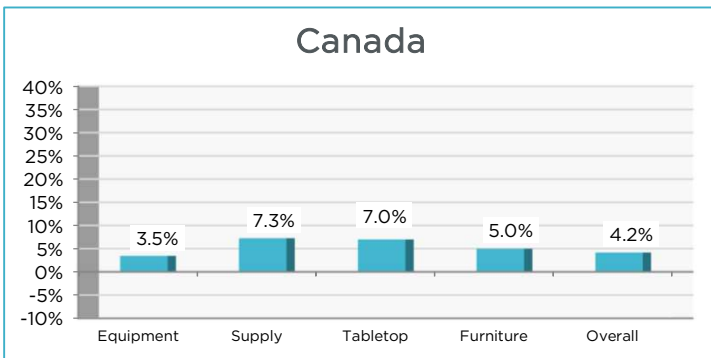
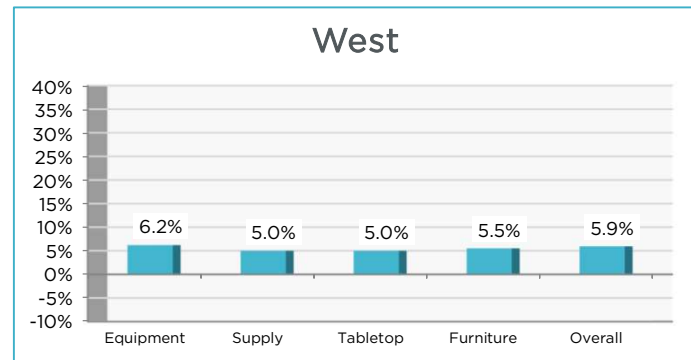
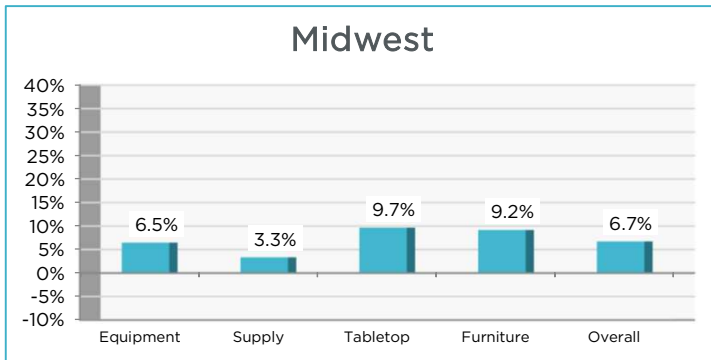
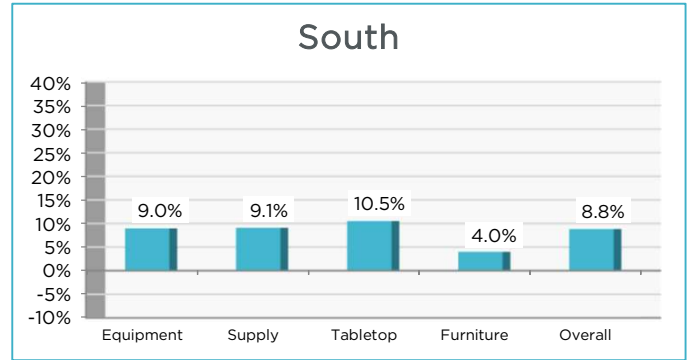
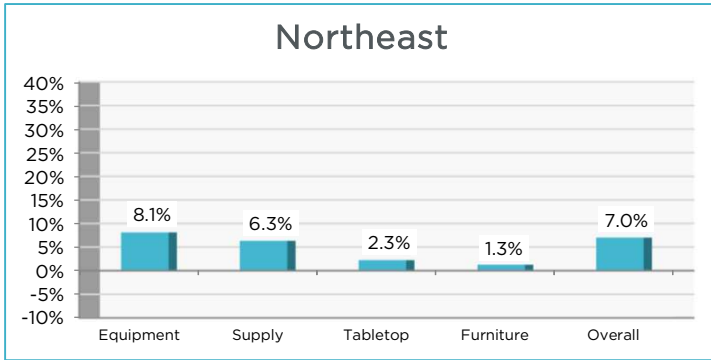
2023 vs. 2022 Overall Sales Forecast by Region

Compared to Overall Sales for 2022

Northeast 6.4%	South 6.4%	Midwest 4.8%	West 4.5%	Canada 7.9%
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1st Quarter 2023 Sales Percentage Change by Region

1st Quarter 2023 compared to 1st Quarter 2022 (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:

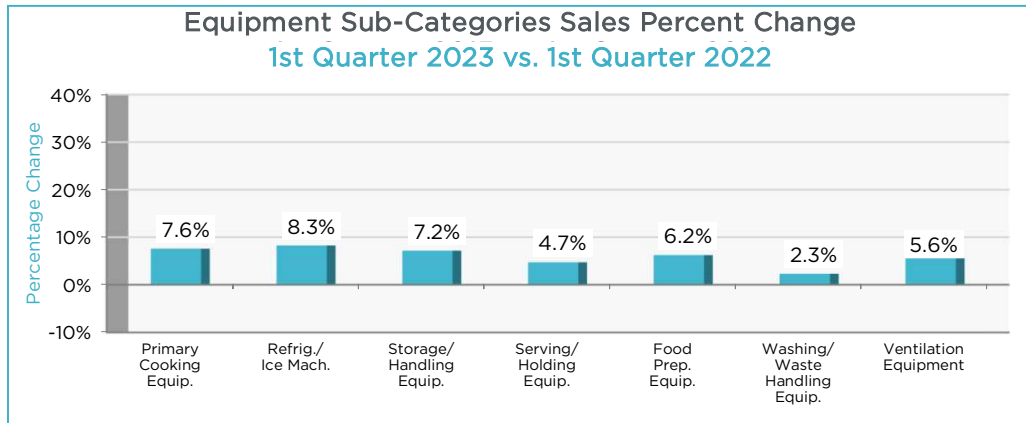
IA, IL, IN, KS, KY, MI, MN, MO, ND, NE, OH, W. PA, SD, WI, WV

WEST includes the states:

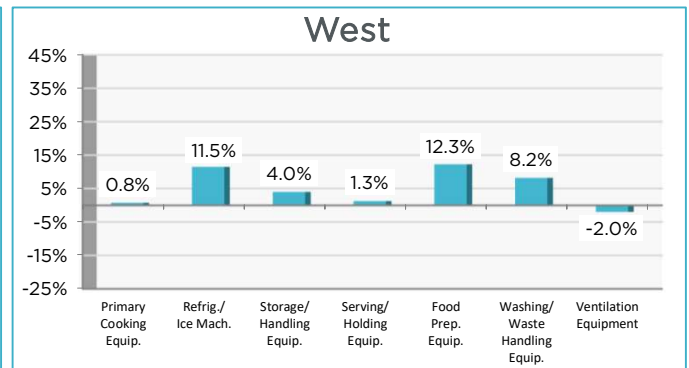
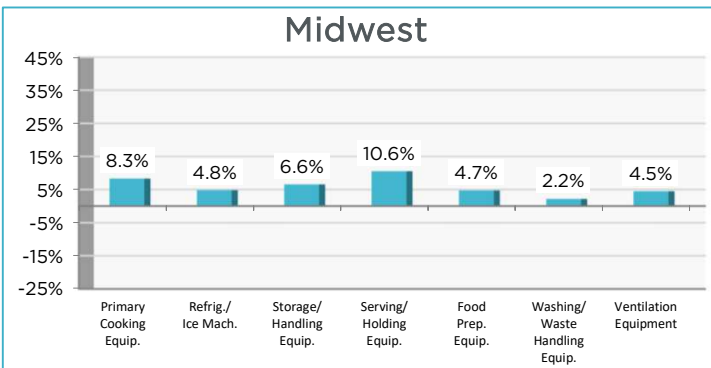
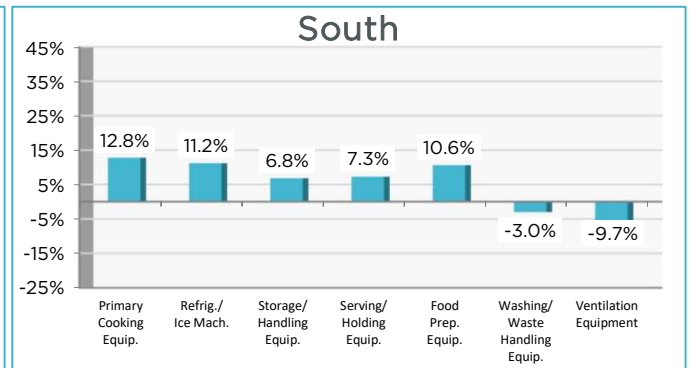
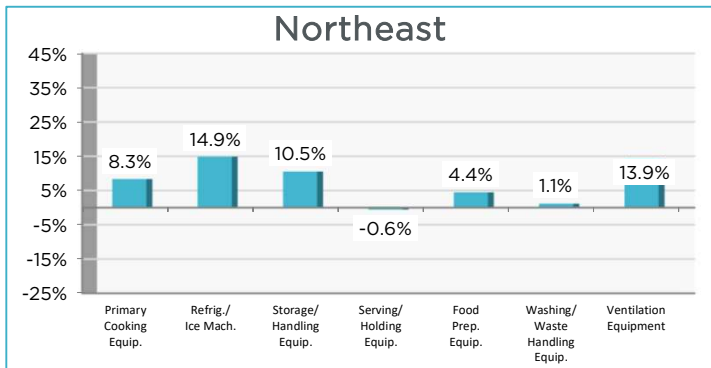
AK, AZ, CA, CO, HI, ID, MT, OR, NM, NV, UT, WA, WY

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 2023 compared to 1st Quarter 2022 (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:

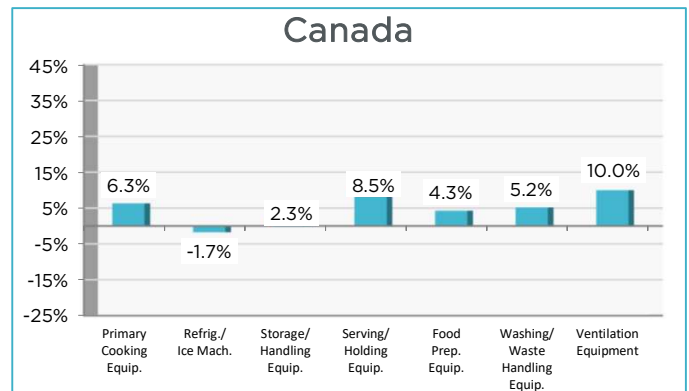
IA, IL, IN, KS, KY, MI, MN, MO, ND, NE, OH, W. PA, SD, WI, WV

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.



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

4 Star Reps, Inc.	Greenwald Sales & Marketing, LLC	Professional Manufacturers Representatives, Inc. (PMR)
AFS Anderson Foodservice Solutions	High Sabatino Associates	Pro-Quip Foodservice Equipment & Supplies Incorporated
Agences Hamilton Agencies	HRI, Inc.	R. Henry & Associates
Beacon Sales Group LLC	Kain McArthur	Schmid-Dewland Associates
Bob Waite & Associates	Kaufmann & Associates	Schmid-Wilson Group
Celco Inc.	KBC Specialty Products, Inc.	stage KOLSTAD associates
Chrane Foodservice Solutions	KLH Marketing, Inc.	The Pantano and Pinilla Agency, Inc.
CMA Foodservice Solutions	Lund-Iorio, Inc.	Thormann Associates
Collis Group, Inc.	MAC Sales & Marketing LTD.	TLC Marketing Inc.
Copperfield Agencies Limited	Mid-West Associates	Total Source Equipment & Supply
Cowan Associates	Midwest Professional Reps, Inc.	Total Tabletop Plus
Dedicated Foodservice Solutions LLC	ONE SOURCE REPS	Vader & Landgraf, Inc.
DJ Marketing & Associates	P3 Reps	Viola Group
DRC Marketing Group	P3Reps-NNY/Lake Effect	W. D. Colledge Co., Ltd.
Elevate Foodservice Group	PB & J Commercial Agents	Walter Zebrowski Associates
Equipment Preference, Inc. (E.P.I.)	PBAC & Associates LTD	Wyllie Marketing
Ettinger-Rosini / Waypoint	Pecinka Ferri Associates	YBR Marketing, Inc.
FOCUS Hospitality Sales	Permul Ltd.	YES Group, Inc
Food Service Solutions Inc.	Preferred Marketing Agents, Inc.	Zink Foodservice
Gabriel Group LLC	Pro Reps West - Southern CA Office	





Business Barometer Category Product List

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	
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
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
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