

Industry Sales Turn The Corner Into Small But Positive Growth, (Potential) Tariff Impacts Make It Nearly Impossible to Forecast Sales

Overall sales for 4Q/24 increased by +0.2% from -0.6% the previous quarter and were slightly above the forecast of 0%. This was the first quarter of any growth whatsoever after 13 quarters of declining sales. (Actually, declining rates of sales growth for 10 consecutive quarters, a flat quarter 1Q/24 and two quarters of sales declines.) This represents the first indication that we have hit bottom and have turned the corner and are starting the fourth and upward leg of Covid disruption towards normalization.

By product category, furniture was up by +1.2%, equipment by +0.5%, while Durable Supplies decreased by -0.8% and Tabletop by -1.3%. Regional variations were significant, led by Canada at +2.8% and the South +1.8%, while the West was at flat, the Midwest was at -0.3%, and the Northeast continued to contract at -1.9%.

The most positive indicators were that Quoting Activity was reported at (reps experiencing) 38% more vs. 13% less (a differential of +25, up from +14 3Q/24 and the third consecutive quarter of positive differentials), and Consultant Activity was at 31% more vs. 12% less (a +19 differential, up from +5 3Q/24 and -6 2Q/24). Clearly, the pipeline is strengthening.

Reps are forecasting growth of +1.2% for Q1/25 and +2.7% for the full year of 2025 (the latter annual forecast the same as 3Q/24). Obviously, the major caveat is the impact of tariffs both on stainless steel and aluminum, and products from Canada, Mexico, China, Europe and elsewhere. Likely this will lead to higher prices and shrinking demand as end users are already impacted by higher labor (costs) and food prices. The tariff issue makes it nearly impossible to forecast. Manufacturers are leaving all options open so as not to get caught in a price squeeze.

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Qtrly Sales Forecast for North America
Q1/25 vs. Q1/24
 1.2%

Yearly Sales Forecast for North America
2025 vs. 2024 **2024 vs. 2023**
 2.7% 3.6%

Quoting Activity for Q4/24 vs. Q3/24

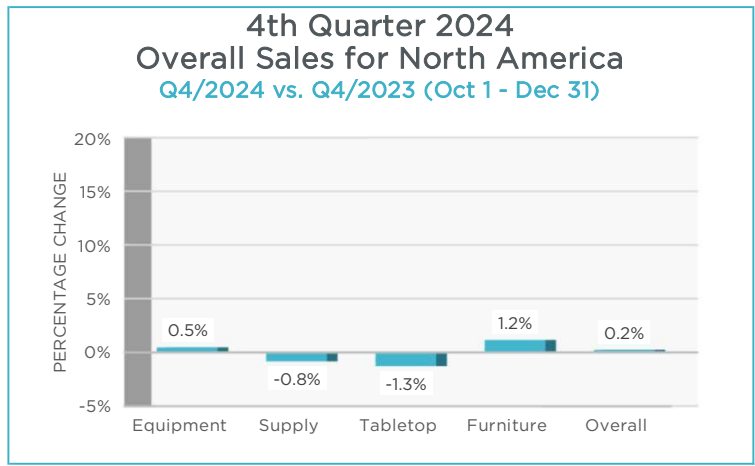
More	Less	No Change
38%	13%	49%

Consultant Activity for Q4/24 vs. Q3/24

More	Less	No Change
31%	12%	57%

Jan San Sales for Q4/24 vs. Q4/23

Equipment	Supplies	Disposables
0.6%	3.7%	2.7%



2025 vs. 2024 Sales Forecast by Product Category

Equipment	Supply	Tabletop	Furniture
2.8%	3.0%	2.5%	1.3%

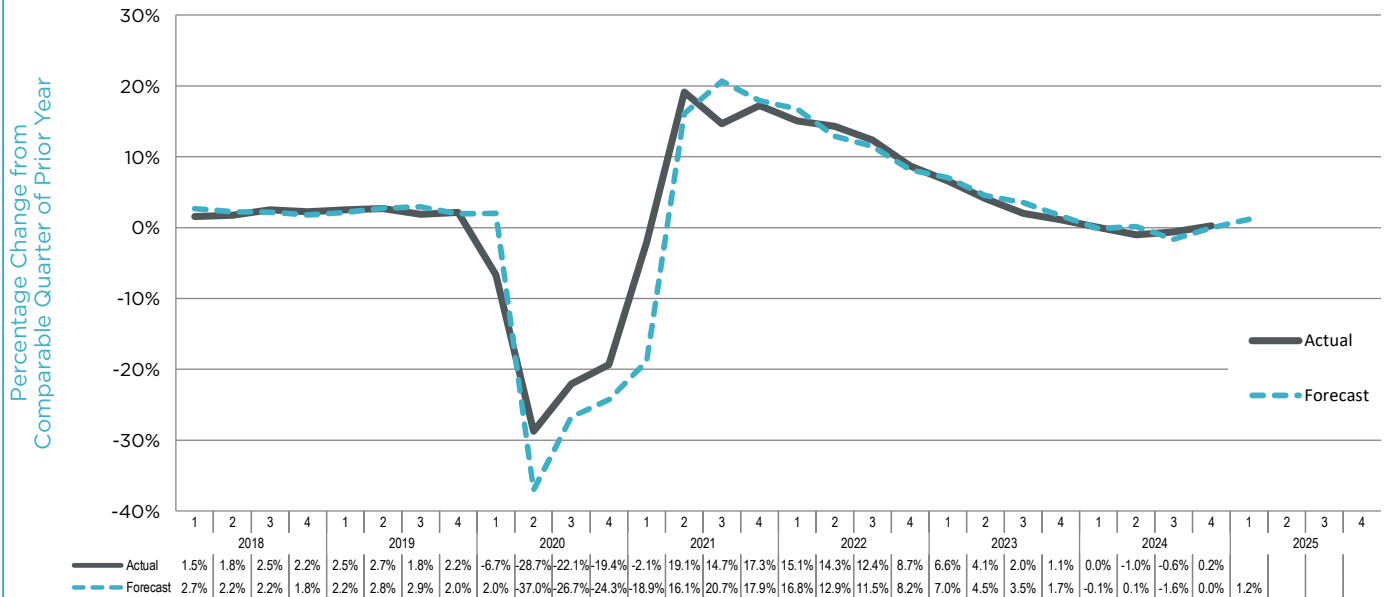
*The overall industry sales growth is calculated using a weighted average based on the percentage of the total sales volume for the overall industry represented by the various sales categories: Equipment (77%), Supplies (6%), Tabletop (11%), and Furnishings (6%). Market numbers are based on the North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



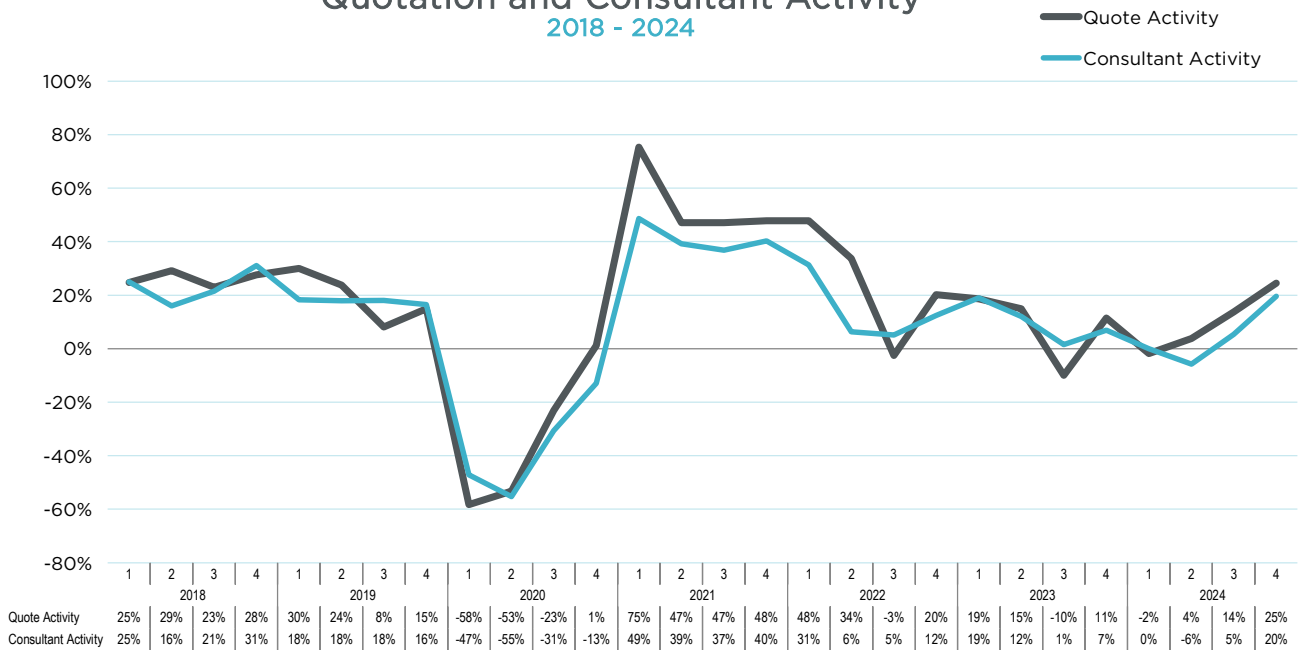
Q4/2024 Foodservice Business Barometer

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

Overall Commercial Foodservice Sales Per Quarter for North America 2018 - 2025



Quotation and Consultant Activity 2018 - 2024



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



Q1/25 vs. Q1/24 Sales Percentage Change Forecast by Region

1st Quarter 2025 compared to 1st Quarter 2024 (Jan 1 - Mar 31)

Northeast -4.0%	South 3.9%	Midwest 2.6%	West 3.8%	Canada 1.3%
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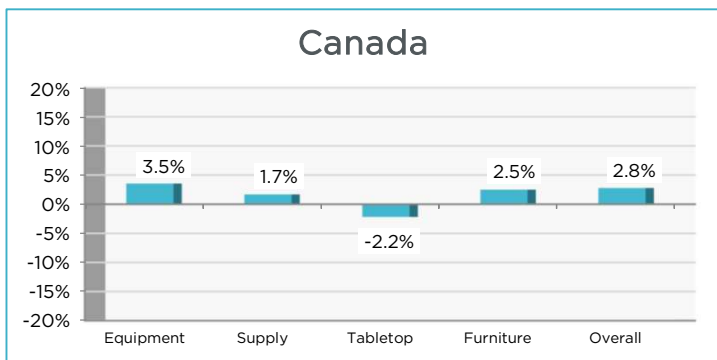
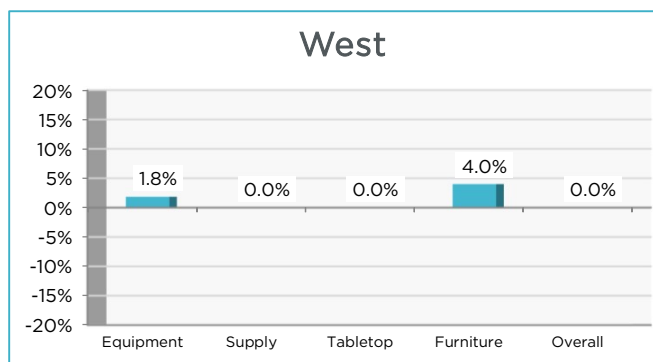
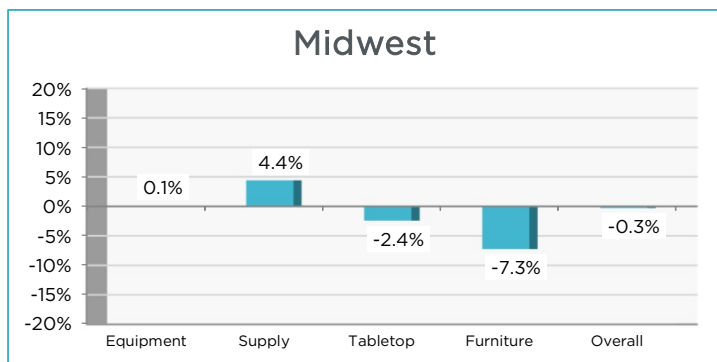
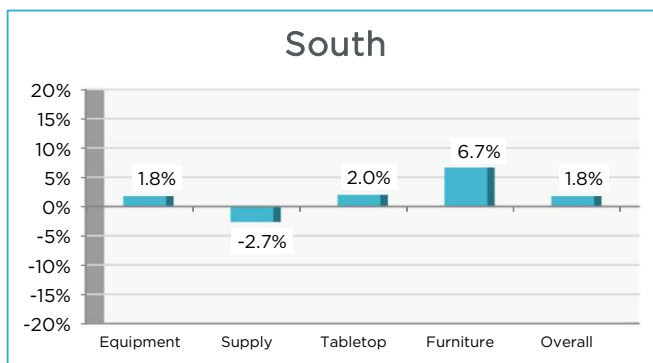
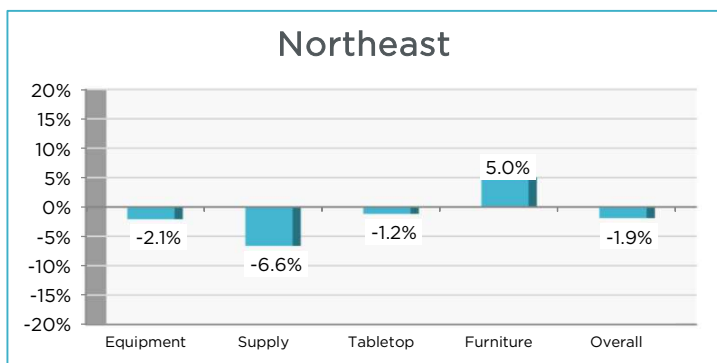
2025 vs. 2024 Overall Sales Forecast by Region

Compared to Overall Sales for 2024

Northeast 2.0%	South -0.3%	Midwest 3.8%	West 2.4%	Canada 5.1%
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4th Quarter 2024 Sales Percentage Change by Region

4th Quarter 2024 compared to 4th Quarter 2023 (Oct 1 - Dec 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:

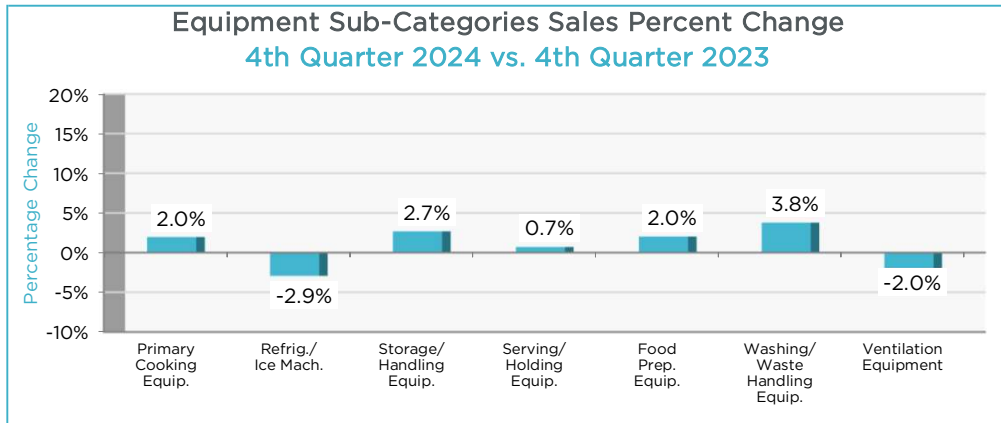
IA, IL, IN, KS, KY, MI, MN, MO, ND, NE, OH, W. PA, SD, WI, WV

WEST includes the states:

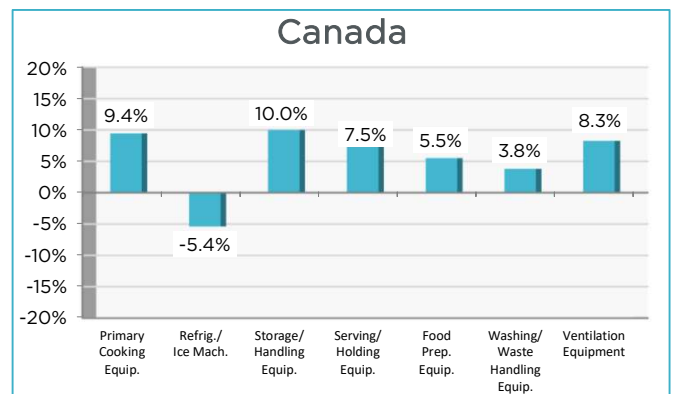
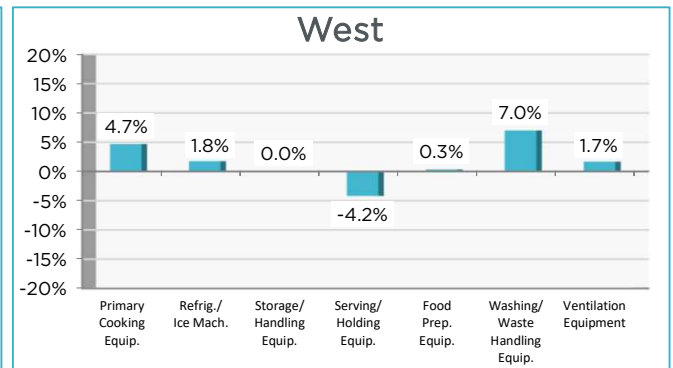
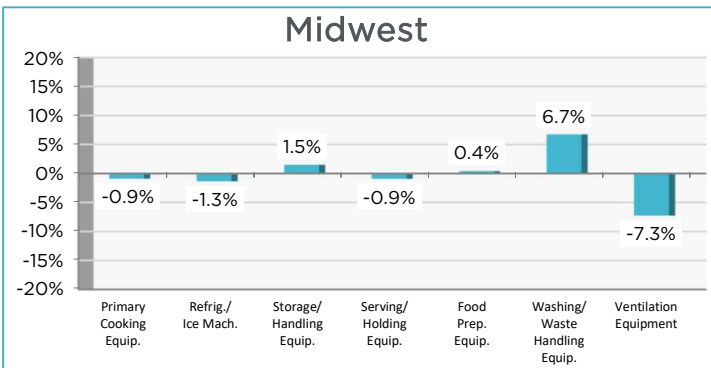
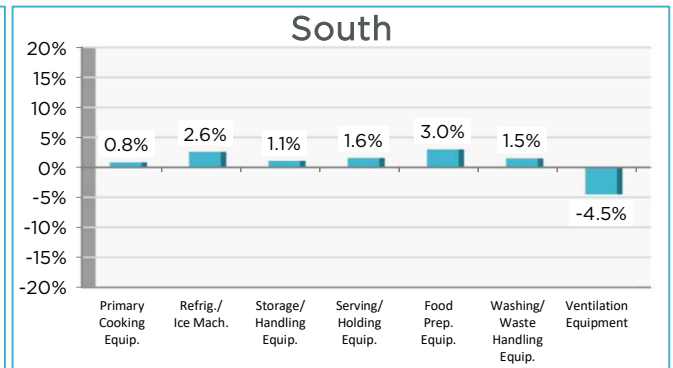
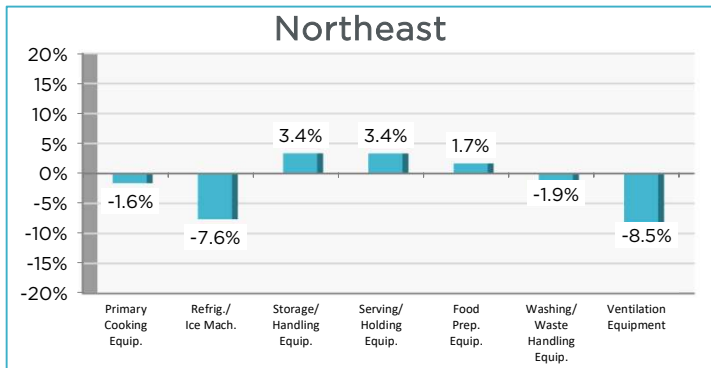
AK, AZ, CA, CO, HI, ID, MT, OR, NM, NV, UT, WA, WY

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 4th Quarter 2024 compared to 4th Quarter 2023 (Oct 1 - Dec 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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Business Barometer Category Product List

MAIN CATEGORIES	
Equipment Please note: 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 Please note: 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, Serveware, 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 Please Note, 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