

State of the Industry

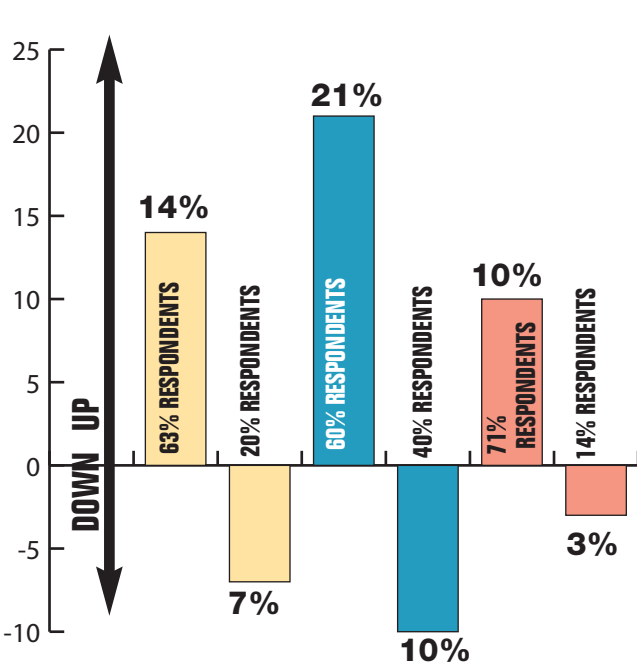
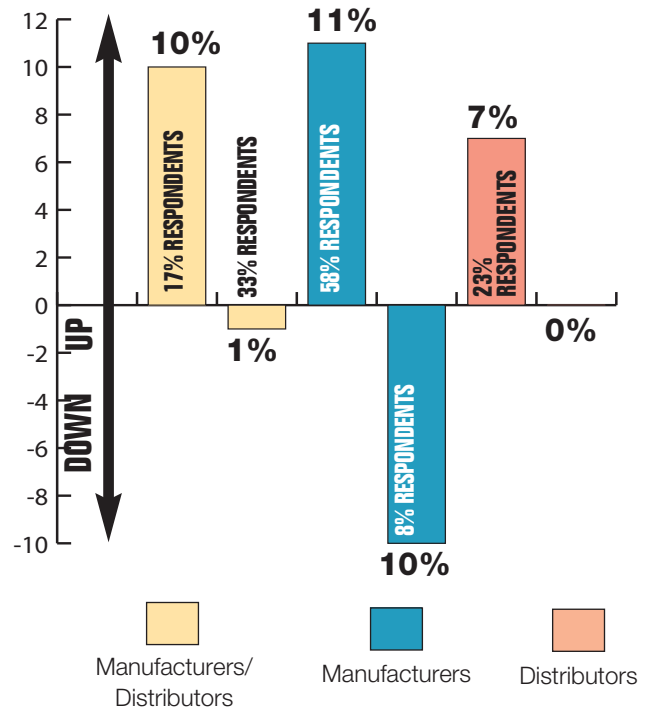
The 2018 *Auto Laundry News* State of the Industry Survey was conducted through the mailing of questionnaires to a random selection of vendors to the car care industry. The information in this report results from an analysis of data provided by respondents nationwide.

It was a given that last year's survey results would be tough to beat — not a single respondent in any category reported a decline in sales compared to the previous year. While this year a solid majority of respondents in every category reports sales growth, each category has its share of participants who experienced sales declines, relatively small as they are.

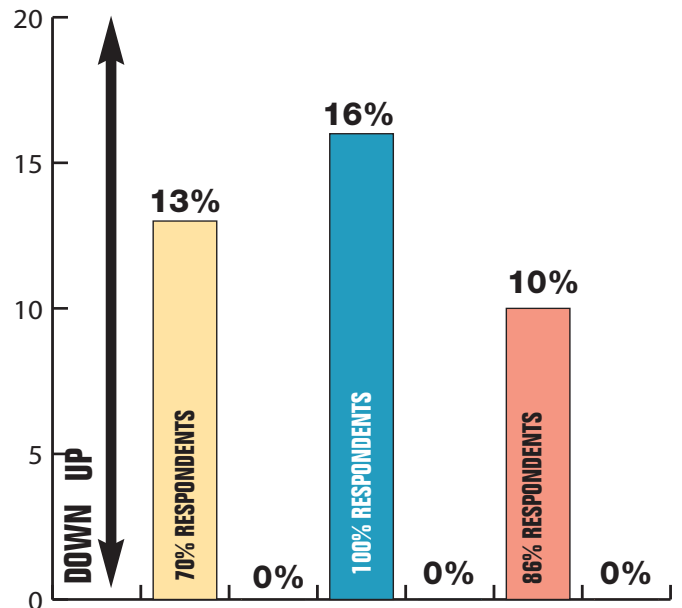
Sixty percent of equipment manufacturers report advances averaging 21 percent, more than double the 10 percent improvement achieved last year, when 83 percent of respondents in this subcategory reported progress. Chemical manufacturers increased their sales by 10 percent — the same performance recorded in the previous year. However, only 71 percent of respondents in this subcategory contributed to the average gain compared to 100 percent last year. Overall, 63 percent of respondents — down from 90 percent last year — report average sales growth of 14 percent, a slight improvement over last year's 12 percent.

Respondents are bullish about the future. Not a single survey participant projects a decline in sales next year. Overall, 70 percent anticipate average growth of 13 percent. Equipment manufacturers are the most optimistic: 100 percent foresee an average 16 percent sales growth in 2019. Last year, 83 percent expected to advance sales numbers by an average of 9 percent. At 86 percent, fewer respondents in the chemical manufacturer subcategory are looking to sales growth; their anticipated growth is also more modest: 10 percent.

EMPLOYEE COUNT GROWTH/DECLINE 2017 TO 2018

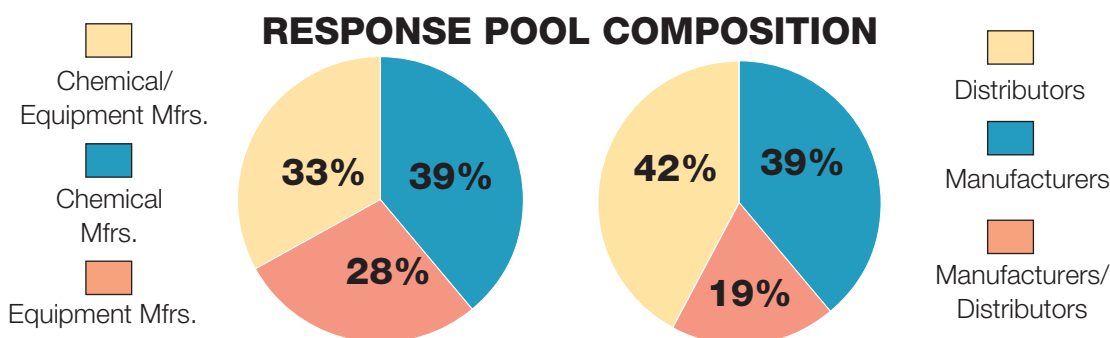
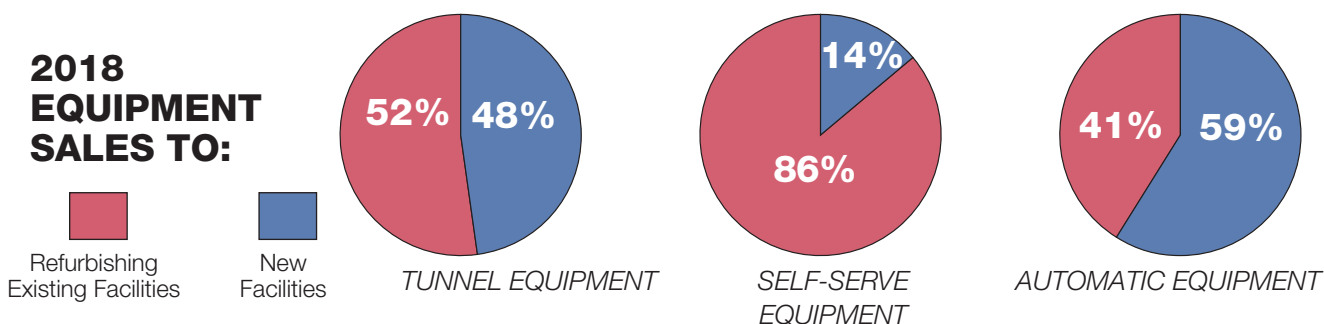


AVG. SALES GROWTH/DECLINE 2017 TO 2018



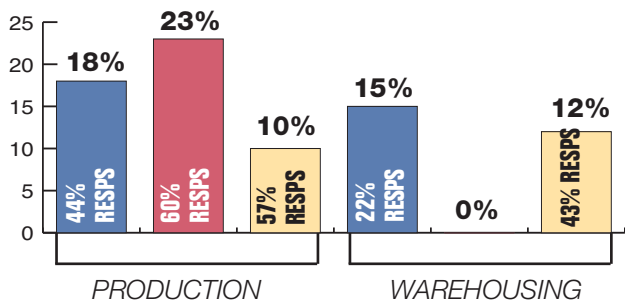
AVG. PREDICTED GROWTH/DECLINE 2018 TO 2019

Table 1	Sales Growth 2017 vs. 2018		Sales Forecasts 2018 vs. 2019	
	Increase	Decrease	Increase	Decrease
Manufacturers/Distributors	33%	33%	67%	0%
Avg. % Increase/Decrease	20	6	11	0
Manufacturers	75%	25%	92%	0%
Avg. % Increase/Decrease	14	8	13	0
Distributors	69%	8%	92%	0%
Avg. % Increase/Decrease	13	5	14	0



■ All Manufacturers ■ Equipment Manufacturers ■ Chemical Manufacturers

Avg. Production/Warehousing Capacity Increase **2017 to 2018**



Avg. Future Production/Warehousing Capacity Increase (projected) **2018 to 2019**

