



Delivering Results + **Securing the Future**



// 2015 ANNUAL REPORT

“

The success of any individual operator is dependent upon the strength and vision of the industry as a whole.

”

—Pete Tullio,
Gourmet Coffee Service, Inc.



Delivering Results while Securing the Future

In my mind, no phrase better summarizes the work of the NAMA Foundation in 2015.

For the third consecutive year, the NAMA Foundation delivered results — results that have made a real difference. Our inaugural Washington, DC Fly-In, our first-ever industry-wide census, and groundbreaking research on micro market and consumer trends are just a few of the ways the Foundation has helped position NAMA and the industry for a stronger future.

Of course, none of these accomplishments would have been possible without the enduring support of our Positioning for Growth campaign investors. On behalf of the Board of Trustees, I extend a heartfelt thank you to those generous companies, individuals and state councils.

In the coming year, the Foundation will play an increasingly important role in NAMA's evolution and growth. Broader and deeper member and industry engagement is critical to our ability to respond as needs arise. In 2015, we benefited from new, multi-year major gift pledges and a donation from the proceeds of NAMA's Women of the Industry FunRun. I hope that similar examples of trust, confidence and generosity continue to permeate our story in 2016.

If you aren't a supporter already, I invite you to join us. The future is full of promise, and we want you to be a part of our collective success.



Pete Tullio, NCE, CCS, Chair
NAMA Foundation Board of Trustees



Delivering Results: Advocacy

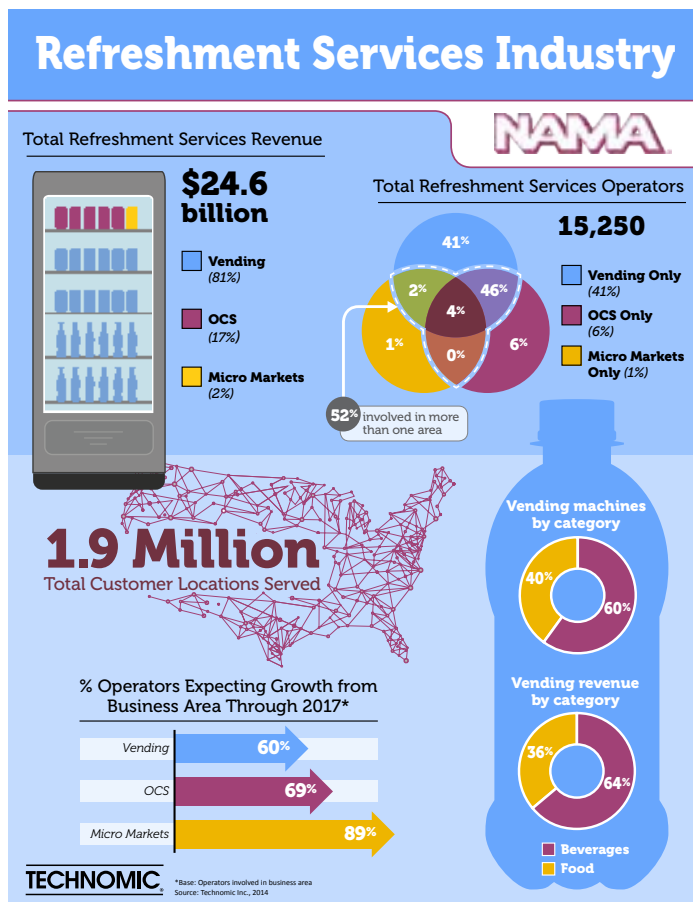
// TELLING OUR STORY WITH DATA

Current, credible industry data is critical to maintaining a strong position in government affairs. With funding from the NAMA Foundation, NAMA partnered with renowned industry research firm Technomic to complete its first comprehensive and proprietary industry census in recent history.

Identified as the top informational asset needed by the industry during the Positioning for Growth campaign and in the 2014 Member Needs Assessment, the 2015 Industry Census provided meaningful and comprehensive market metrics for vending; coffee, tea and water; and micro markets. Revealed in the study were industry statistics (e.g., annual revenue, number of operators, number of machines) as well as growth forecasts by business line.

This valuable information has provided credibility and tangible data points that support NAMA's federal, state and local advocacy efforts. An illuminating infographic (below) was created and used extensively in face-to-face meetings with members of Congress at the Washington, DC Fly-In.

Information from the study is also driving NAMA educational and informational offerings, including at the 2015 OneShow, and is among the most frequently requested resources by NAMA members.



Raising the profile of a \$24.6 billion industry

A byproduct of the 2015 Industry Census, this informative infographic serves as a valuable resource and leave-behind at meetings with government leaders and elected officials.

Other 2015 Notable Advocacy Outcomes

Foundation funding supported:

- Program development and marketing for the inaugural NAMA Fly-In in Washington, DC, which drew 200 NAMA members and industry affiliates representing 35 states and Washington, DC.
- Completion of two economic-impact focused white papers: one on the regressive effects of taxes on sugar-sweetened beverages and snack foods, and another on proposed changes to the metallic content of coins. The latter helped the association defeat a bill and save the industry an estimated \$3.5 billion.
- A robust public relations campaign around FitPick, which increased adoption of the program and engagement by all industry sectors. Support for FitPick also helped expand operator tools – including a sales “pitch deck” and digital assets for vend machines and micro markets – as well as NAMA’s partnership with the Alliance for a Healthier Generation, including a joint public commitment to increasing the availability of healthier snacks in public places.



SMALL change can make BIG nutrition difference

Launched in 2005, FitPick approved products have maximum limits on calories, sugar, fat and sodium.

Look for the FitPick logo to ensure you are making a **BETTER FOR YOU** choice when snacking.

17 Billion snacks and beverages are sold **EVERY YEAR** in U.S. vending and micro market outlets.¹

Did you know? There are many **BETTER FOR YOU** choices available that can help you reach your nutrition goals.

FitPick, NAMA's signature nutrition program, provides simple, turnkey information to **HELP CONSUMERS** make informed choices.

Drinking **3-5 cups** of **COFFEE** a day can help reduce Type 2 Diabetes.²

Drinking **3-4 cups** of **GREEN TEA** may reduce heart disease.³

#1 **water** is the nutrient your body needs to be healthy.⁴

665 FitPick and FitPick SELECT approved delicious products are available in vending machines and micro markets, with more products being added daily.

35,000 Micro markets (a self-checkout retail store featuring fresh foods and healthier snacks) will be popping up in the next 5 years.⁵

NAMA

Check out fitpick.org for more information.

Fueled by the Foundation, FitPick continues to expand its reach among operators looking to expand their “better for you” offerings in response to consumer demands.



Delivering Results: Information + Thought Leadership

// ESTABLISHING RESEARCH AS A CORE COMPETENCY

In 2015, the NAMA Foundation supported two major research studies that were identified as top priorities in the 2014 Member Needs Assessment.

The first study was a biannual update to NAMA's 2013 micro market benchmarking research. This research quantified micro market channel size and projected growth, and gathered qualitative metrics on consumer transactional activity and perceptions of the micro market concept and delivery. The findings were shared with an audience of 120 at the OneShow, and also informed the development of NAMA's "Mastering Micro Markets: An Operations Manual for Increasing Profitability in Micro Markets" (to be released in 2016).

The second study was qualitative consumer research on millennials — the first of its kind in the refreshment services industry. The goal was to better understand millennials, which will make up a majority of the workforce by 2020, including their views of the industry from both psychographic and demographic perspectives. This data is being used to develop targeted activation strategies for both suppliers and operators to better meet the needs of these consumers and will be rolled out in a comprehensive product line in 2016.

Top 4 Opportunity Areas for Millennials (by level of importance)



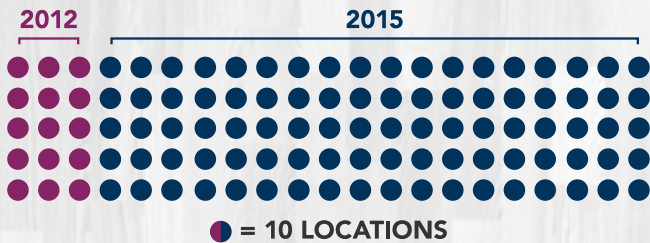
Comprehensive Foundation-funded research on millennials revealed a wealth of information that will help NAMA members better serve this burgeoning and increasingly influential demographic.

Micro Markets

AN INNOVATIVE
AND EXPANDING
RETAIL CHANNEL

GROWING OPPORTUNITY

Micro markets grew from about **1500** to over **9000** locations across all parts of the US from 2012 to early 2015.



\$400M INDUSTRY

As the micro market channel continues to grow, the NAMA Foundation plays a critical role in helping provide operators with the metrics and guidance they need to be profitable.



“The EDP has proven to be one of the best experiences in my five-year career in this industry.”

—Elyssa Allayher-Steiner,
Avanti Markets

Other 2015 Notable Information + Thought Leadership Outcomes

- With Foundation support, NAMA completed the comprehensive update of its Technician Training Manual & Exam with the release in 2015 of the third and final chapter and corresponding exam on “Electrical.”
- Thanks to member support of the annual fund, the NAMA Foundation issued nearly \$20,000 in scholarships:
 - » The NAMA Scholars Program awarded three distinguished industry leaders full tuition and a \$500 travel stipend to NAMA’s prestigious Executive Development Program at Michigan State University. 2015 recipients: Mark West, Canteen-Berks County; Elyssa Allahyar-Steiner, Avanti Markets; and Lance Deagon, Gourmet Coffee Service
 - » The longstanding Undergraduate Scholarship Program, for children and dependents of NAMA members and their employees, awarded \$2,500 each to: James C. Daniels, Warren, OH, sponsored by AVI Foodsystems; Melissa McCann, Fontana, CA, sponsored by Betson Enterprises; and Thomas Porath, Lexington, NE, sponsored by VVS, Inc.



“

Over the last three years, the NAMA Foundation has more than proven its value by introducing and implementing a robust program of advocacy aimed at protecting the interests of operators at all levels of government, making it one of the best industry investments we have ever made.

”

—Jerry Scott,
Canteen of Coastal California



Delivering Results: Sustainability + Stewardship

// SECURING THE FUTURE

In the last 12 months, the Foundation has made significant strides in building sustainability and stewardship. Not only has the Foundation maintained over 90 percent of its supporters, but it has also increased its donor base by 30%. This growth is largely from efforts to expand participation in the annual appeal and the major gifts program through targeted member engagement.

Following are some other ways the Foundation engaged NAMA members in 2015:

- Live auction at the One Show
- Online auction in conjunction with the Coffee, Tea & Water Show
- Midyear Stewardship webinar
- Quarterly “InFocus” e-newsletter
- Face-to-face meetings with donors at the OneShow
- In-kind support
- Legacy Leaders planned giving program

In another 2015 highlight, NAMA’s Women of the Industry (WIN) group raised significant awareness and support for the NAMA Foundation and its signature program, FitPick, by donating the proceeds of its inaugural FunRun to the organization.

Collectively, these efforts helped the NAMA Foundation raise over \$232,000 in revenue for the annual fund, which supports industry scholarships and enables the Foundation to be responsive to needs and opportunities as they emerge.

Annual Fund revenue = \$232,000

Thanks to generous supporters, the Foundation made significant strides in 2015 in boosting awareness and sustainability.



Thank You, Investors

The NAMA Foundation is tremendously grateful for all of its supporters, particularly the Positioning for Growth Campaign donors* who have remained committed partners of the Foundation and NAMA as we work together to build a sustainable future.

Pinnacle Investor \$1,000,000+

Pepsico Foodservice

Legacy Investor \$500,000+

The Coca-Cola
Refreshments

Founder Investor \$250,000+

Mars Inc.

Cornerstone Investors \$100,000+

Advance Pierre Foods
Aramark Corporation
Canteen Vending Services
Dr Pepper Snapple Group
General Mills, Inc.
Kellogg's Food Away
From Home
Keurig Green Mountain, Inc.
Mondelez International
The Hershey Company
Vistar

Heritage Investors \$50,000+

Buffalo Rock Company
Crane Merchandising
Systems
Crane Payment Innovations
DS Services of America, Inc.
G & J Marketing and
Sales, LLC
Gaviña Gourmet Coffee
Kraft Foods Inc.
Royal Cup Coffee
SEVA
Mid-America Roasterie
Vend Catering Supply

Ambassador Investors \$25,000+

365 Retail Markets

A.H. Management
Group, Inc.
Avanti Markets, Inc.
Bunn-O-Matic Corporation
Burdette Beckmann, Inc.
California Automatic Vendors
Council
Cargill, Inc.
Company Kitchen
Flowers Foods/Mrs.
Freshley's
GES
Holiday House/Brew Tek/
Kool Tek
MD - D.C. Vending
Association, Inc.
Nestle Professional
Pentair Filtration
Solutions, LLC
R. C. Bigelow
Red Bull North America
Sodexo Vending and
Retail Services
Tri-State Automatic
Merchandising Council

Friends Circle Investors \$10,000+

Alabama Vending
Association
All Star Services, Inc.
Associated Services
Cantaloupe Systems
Canteen of Coastal California
Coin Acceptors, Inc.
Continental Vending, Inc.
Evergreen Vending
Follett Corporation
Georgia Automatic
Merchandising Council
Gourmet Coffee Service, Inc.
Inventure Foods, Inc.
LightSpeed Automation LLC
Lincoln County Vending
Mark Vend Company
Mississippi Automatic
Merchandising Association
Monumental Vending, Inc.

Newco Enterprises, Inc.
Parks Coffee
ProStar Services, Inc.
Refreshment Solutions, LLC
Smith Vending Corp./
Canteen
Southern Refreshment
Services
Sugar Foods Corporation
The Pepi Companies
TOMDRA
U-Select-It
Vending Machine Operators
of Louisiana

Supporters Circle Investors \$5,000+

All Brands Foods, Inc.
Arizona Automatic
Merchandising Council
Atnip Company, Inc.
Automatic Food
Service, Inc.
Automatic Merchandising
Association of Florida
Avtobar J.S.C.
Carla Balagie, FASAE, CAE
Chicago Vendor Supply, Inc.
Cloverhill Bakery
Excelso Coffee And Tea
Greg Breland
Illinois Automatic
Merchandising Council
Indiana Vending Council
Jack Link's Beef Jerky
Jimmy Wilmore
Kentucky Automatic
Merchandising Council
Kimbles Food by
Design, Inc.
M & M Sales Company, Inc.
Minnesota Automatic
Merchandising Council
Monogram Meat Snacks
New York State Automatic
Vending Association
Northwest Automatic
Vending Association

PBP - Premier Broker
Partners
Pod Pack International, Ltd.
PrairieFire Coffee Roasters
Royal Vending, Inc.
Saverino & Associates, Inc.
Tennessee Automatic
Merchandising Association
Texas Merchandise
Vending Association
United Food Group, Inc.

All Other Investors Up to \$5,000

Acme Music & Vending
Company, Inc.
Baker & Baker Vending, Inc.
Brella Productions
Connecticut Vending
Association
Dan Mathews, NCE5, CCS
DFW Consulting
Finn Partners-John Healy
Heritage Coffee Company
Healy Consulting &
Communications Inc.
KNJ Sales
Iowa Automatic
Merchandising Association
J & S Vending
Jonathan Howe
Lima Enterprises, Inc.
Lindsey K. Nelson, CAE
Michael L. Kasavana, Ph.D,
NCE5, CHTP
Mid-America Automatic
Merchandising Association
Midlantic Vending
Corporation
Patterson Company, Inc.
PRG
South Alabama Vending
Company
Sylvia Rowe
Vertex Water Products
W. Eric Dell, Esq.

*Reflects Positioning for Growth donors as of 1/26/2016

Annual Fund Investors**

Cornerstone Investor
\$20,000+
Vendors Exchange
International, Inc.

President's Circle \$10,000+
Dole Packaged Foods
Visionary \$5,000+
365 Retail Markets

Gold \$2,000+
Accent Food Services, LLC
American Food & Vending Corporation
Black Tie Services
NAMA WIN
Vend Natural Holdings

**Represents annual contribution amount. Does not reflect cumulative multi-year pledge totals.

Financial Position

2015*

Total Revenue: \$1,204,811**

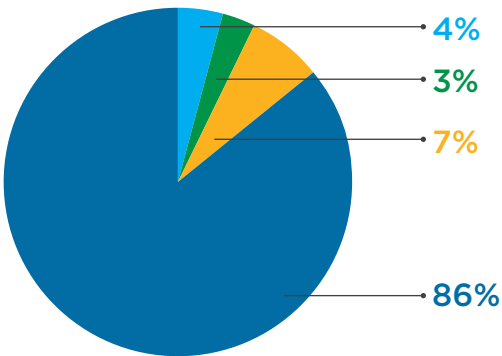
Total Expenses: \$712,066

The Foundation's financial position remained strong in 2015, having exceeded its annual revenue target by 7% and realized expenditures 14% under plan, largely due to deferred project spending associated with the 2016 NAMA Executive Forum. In addition, the Foundation continued to maintain a stellar rate of pledge redemption at 96% in 2015, and 99% on total pledges booked since 2012. As a result, the Foundation maintained a strong cash position and made a sizeable contribution to its reserves.

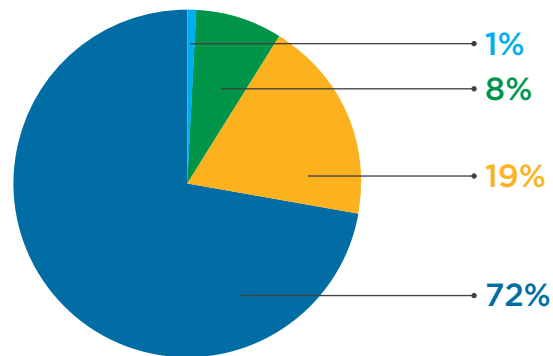
99% redemption of Positioning for Growth pledges since 2012

The Foundation is well on its way to meeting its board-established target to invest 86% of Positioning for Growth campaign pledges in the three programmatic areas of NAMA's strategic plan — Advocacy, Education and Information — and toward achieving financial sustainability by 2017.

6-YEAR TARGETED ALLOCATIONS



4-YEAR CUMULATIVE SPEND



■ Programmatic Spending ■ Development and Sustainability ■ Administration ■ Reserves

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* Based on unaudited year-end financials

** Total cash, cash equivalents and in-kind support



NAMASM
FOUNDATION

www.vending.org/Foundation

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