



Credit Suisse 4<sup>th</sup> Annual Conference  
The Waldorf Astoria, New York

*September 17, 2013*



# Forward Looking Statements

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Statements made in this presentation or otherwise attributable to the company regarding the company's business which are not historical fact are forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The company cautions investors that such statements are estimates of future performance and are highly dependent upon a variety of important factors that could cause actual results to differ materially from such statements. Such factors include, but are not limited to variability in financing costs; quarterly variations in operating results; dependence on key customers; international exposure; foreign exchange and political risks affecting international sales; changing market conditions; the impact of competitive products and pricing; the timely development and market acceptance of the company's products; the availability and cost of raw materials; and other risks detailed herein and from time-to-time in the company's SEC filings.

# Company Snapshot

- ◆ The Middleby Corporation is the worldwide leader in the manufacturing and distribution of a broad line of cooking, warming and preparation equipment for the commercial restaurant, residential and food processing industries
- ◆ Headquartered in United States (Chicago, Illinois)
- ◆ Publicly traded on the NASDAQ stock exchange (MIDD)
- ◆ \$1 billion trailing twelve month revenue
- ◆ 3,500 employees worldwide
- ◆ Approximate \$10 billion market opportunity

THE MIDDLEBY CORPORATION

WE'RE A LEADER IN DEVELOPING  
COOKING EQUIPMENT THAT IS  
**FASTER,  
FUEL-EFFICIENT,  
AND MORE  
ECO-FRIENDLY**

# Key Investment Highlights

## ◆ Three Industry Leading Foodservice Platforms

- *Commercial Foodservice*
- *Food Processing*
- *Residential*

## ◆ Established Well-Respected Brands

- *Premium brands recognized for innovative technology, efficiency and quality*
- *#1 or #2 in each category*

## ◆ Premier Customer Base

- *Aligned with leading U.S. and international restaurant chains and food processors*

## ◆ Positioned for Growth

- *Strong pipeline of new differentiated products*
- *Focus on faster growth chain segments and emerging markets*
- *Housing recovery*

## ◆ Unique Global Footprint

- *International sales and service infrastructure provides attractive opportunities in emerging markets*

## ◆ Strong Profitability And Commitment to Operational Excellence

- *Ongoing success in process improvements*

## ◆ Successful Track Record of Growth through Acquisitions

# Industry Leading Platforms

## ◆ Commercial Foodservice

- 65% of revenues
- 27% EBITDA
- \$3 billion market opportunity

## ◆ Food Processing

- 20% Revenues
- 19% EBITDA
- \$5 billion market opportunity

## ◆ Residential

- 15% Revenues
- 10% EBITDA
- \$1 billion market opportunity



# Leading Brands – Commercial Foodservice



- ◆ #1 in Pizza Chains
- ◆ #1 in Convenience Stores
- ◆ #1 in Fast Casual
- ◆ #1 in Deli and Sandwich Shops
- ◆ #1 in Steakhouses and Seafood
- ◆ #1 in Chicken Outlets
- ◆ #1 in Pan-Asian Cuisine
- ◆ #2 in QSR
- ◆ #2 in Casual Dining



# Premier Customers – Commercial Foodservice



# Demand Drivers – Commercial Foodservice



## Replacement of Existing Equipment

- Average lifespan of foodservice equipment is ~8 years
- Large installed base (over 900,000 establishments in U.S.)
- Rising foodservice operator costs
- Growing Demand for Energy Savings Equipment

## Menu Changes And Expansion

- Foodservice operators adapting to trends
- Need for increased revenues in same existing store locations
- Increased food offerings in non-traditional locations

## Expansion of International Markets

- Trend in eating out growing globally
- US Chains expanding in emerging markets
- Development of international concepts
- Growth in developing markets such as China, India and Latin America

**Factors supporting growing demand for foodservice equipment**



# Innovative New Products

We are committed to meeting customer demands

## R&D FOCUS

- Energy Savings
- Speed of Cooking
- Automation
- Safety

Result

- *Over 20 new “disruptive” products introduced in past 3 years*
- *Greater than 20% of our sales are now generated by products introduced in the last 3 years*
- *New products generate higher margins*

# Leader in Energy Efficiency

- Over 50% of foodservice operators expect to purchase energy savings equipment over the next 12 to 24 months.
- At about 30%, food preparation makes up the largest percentage of a restaurant's energy bill.\*
- Utilities consume about 2.5 - 3.4% of total restaurant sales.\*
- A \$1 reduction in energy equates to \$12.50 in sales at an 8% profit margin, according to Sustainable Foodservice magazine.\*
- Besides delivering energy cost savings, some foodservice equipment qualify for large rebates. Incentives in are as high as \$1,000 per unit.\*



Visit [WWW.Greenstainless.com](http://WWW.Greenstainless.com) to learn more

**Middleby has Over 360 Energy Star Approved Products  
Most of any manufacturer in the cooking and warming segment**

# New Product Pipeline commercial foodservice



## 2012 INTRODUCTIONS

- Encore Oven 
- Hoods/odor control with UV 
- Low Oil Fryer 
- Electric Pizza Oven 
- Gas Combi Oven 
- Q90 New Generation 
- Broil Vection 
- Infrared Buffet System/SinAqua 
- Advanced Asian Cooking 
- Combi steam ovens 
- Lincat Vortech High Efficiency Fryer 
- Ventus and bartender continuous tops 

## 2013 INTRODUCTIONS

- Waffle baker with induction 
- New Viking residential 
- Convenience store kitchen 
- Waterless steamer 
- Warming production line 
- High capacity fryer 
- WOW! 2 Oven 
- Even Broiler 
- Fastest tortilla warmer 
- Rethermalizer cabinets 
- 30 second toaster 
- Energy Star line Viking Refrigerators 
- Induction protein quick thawing 

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Strong Pipeline of Innovation

## Case Study: “Kitchen of the Future”

Middleby partnered to help Brinker develop a “Kitchen of the Future” being rolled out this year

- Easier preparation
  - More repeatable
  - Less opportunity for error
  - Ease of use
- New menu items due to flexibility of equipment
- Labor savings
- Longer-term menu innovation over short-term promotions
- Reduced energy costs
- Increased kitchen productivity
  - Reduced service times



*“We’re happy with the food scores. We’re seeing better quality now than we did in previous food, which is good. We’ve seen significant improvements in ticket times.”*

*-Brinker CEO, Quarterly Conference Call*

# Serving a Broad Market

Example: TurboChef Market Segments – 100,500 Installed

## Sandwich Chains:



## Casual Dining:



## Donut/Coffee Chains:



## C-Stores:



## Pizza:



## Supermarket:



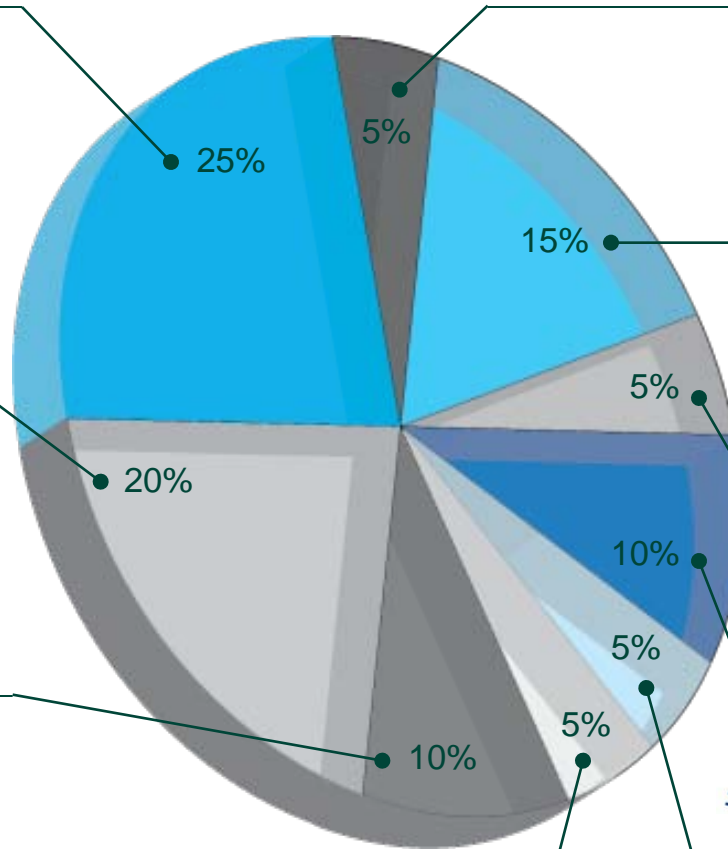
## Business & Industry:



## QSR:



## Non-Traditional:



# Leading Brands – Food Processing

## PROCESSING & PREPARATION TECHNOLOGIES

**COZZINI**

FOOD EQUIPMENT SOLUTIONS  
INTEGRATION & TECHNOLOGIES

**DANFTECH**

MEAT PRESSES • DEFROST SYSTEMS  
HAM PROCESS SYSTEMS & PRESS TOWERS

**MP** EQUIPMENT

YOUR BEST VALUE FOR  
PROCESSING SOLUTIONS

## THERMAL PROCESSING TECHNOLOGIES

**ALKAR**

THERMAL PROCESSING  
TECHNOLOGIES

**Armor Inox**

INNOVATION & PROCESS

**maurer-atmos**

PROCESSING TECHNOLOGIES FOR COOKING  
SMOKING • MATURING • DRYING • AGING

## PACKAGING & LOADING TECHNOLOGIES

**DRAKE**

HIGH PERFORMANCE  
LOADING SYSTEMS

**RAPIDPAK**

SERVO-BASED ROLLSTOCK  
PACKAGING INNOVATIONS

## INDUSTRIAL BAKING TECHNOLOGIES

**AUTO-BAKE  
SERPENTINE**

OVENS & BAKING SYSTEMS

**Baker**

THERMAL SOLUTIONS

**SPOONER**

**VICARS**

Bakery Systems, Inc.

**STEWART  
SYSTEMS**

FULL LINE BAKERY EQUIPMENT



# Premier Customers – Food Processing



- Multi-national projects
- Multi-plant operations
- Customized engineering
- Growing in emerging markets



## Replacement of Existing Equipment

- Outdated equipment with higher operating costs
- Increasing food, labor and energy costs
- Increased focus on food safety
- Flexibility for product changes more frequently

## Expansion of International Markets

- Increased demand for processed foods
- Increased demand in restaurants
- Expansion of foodservice suppliers in developing markets
- Increased awareness of safety and product quality

**Factors supporting growing demand for foodprocessing equipment**



# New Products – Food Processing

## Processing/Packaging

### Cozzini



- Continuous Pepperoni Slicer, Most sanitary design and fastest
- Quad Cut Emulsion, increased product output and proprietary plate and knife design

### Rapid Pak



- RP-4000, Thermoform Fill Seal Packaging Machine: footprint is significantly reduced and production and quality increased with new patented design

### Drake



- Expanded Robotic Models, 600 piece per minute hot dog loading, fastest in the market, more versatile and cost effective
- Advanced loader/packer: high speed hot dog loading with packaging machine (RapidPak). Reduced footprint and faster packaging will increase current market share

## Industrial Baking

### Stewart/Autobake/Spooner



- Patented lubeless oven chain: green solution with less maintenance, costs
- Advanced Bulk Packer reduces footprint by 30-40% improving operation and speed
- Dual Oven Convection System improves Bake profile, flexibility and reduces energy usage
- Wide body product cooler, improved throughput

**Strong Pipeline of Innovation**

# Opportunities – Food Processing

- Manufacturing consolidation
  - *Consolidation of baking platform*
  - *Utilization of localized manufacturing in emerging markets*
  
- Purchasing leverage
  - *Opportunities related to newly acquired companies*
  - *SKU simplification*
  
- International distribution and commissions
  - *Utilize existing Middleby infrastructure*
  - *Reduction in 3<sup>rd</sup> party commissions*

**Margin enhancement opportunities**

# Acquisition Strategy

- **Acquire leading brands and technologies**
  - Established market positions
  - Differentiated products
  - Ability to generate higher profit margin and cash flow
  
- **Increase operating efficiency**
  - Eliminate unprofitable SKUs
  - Focus on core products
  - Streamline production and administrative processes
  
- **Realize synergies**
  - Increased purchasing leverage
  - Utilization of Middleby low cost production facilities
  - Leverage sales and distribution network
  - Leverage existing chain relationships

**Ability to transform acquired companies**

# Acquisition Summary

## 2009 Acquisitions



\$100 m revenues

## 2010 Acquisitions



\$50 m revenues

## 2011 Acquisitions



\$100 m revenues

## 2012 Acquisitions



\$250m revenues

Acquisition Pipeline Remains Strong

# Transaction Overview

## Compelling Strategic Rationale

- Leading Brand in Residential Cooking and Kitchen Equipment
- New Platform with Significant Growth Opportunities
  - Estimated premium/luxury market >\$1 billion
- Synergies with Middleby's commercial foodservice business
- Positioned for Growth
  - Improvement in residential market
  - Introduction of new products and technologies
- State of the art manufacturing capabilities with significant excess capacity
  - Support significant organic growth
  - Leverage as acquisition platform



# Viking Overview

First introduced in 1987 as the industry's first restaurant-type range, Viking's Professional Series offers the ultimate experience in performance and design



## Professional Cooking in the Home

- Viking was the first to offer a full range of professional-style products for the complete kitchen
- Viking products are made to the highest quality standards, utilizing the finest materials and components available

*Original Viking Range*

## Complete Array of Products

- Freestanding Ranges
- Built-in Surface Cooking
- Built-in Ovens
- Kitchen Cleanup Products
- Refrigeration Products
- Ventilation Products
- Outdoor Kitchen Products



## Significant Synergies with Middleby Commercial Foodservice Platform

- Design and manufacturing synergies of ranges, ovens, and outdoor cooking
  - Cost reduced designs
  - Quality enhancements
  - Manufacturing consolidation opportunities
- Purchasing leverage and supply chain
  - Greater combined purchasing leverage of common items
  - Opportunities to standardize common parts
  - Insource various component part manufacturing
- Leverage of international infrastructure supporting global sales and service
  - Utilize Middleby offices in targeted emerging markets
- Product and Technology sharing
  - Induction
  - Speed Cooking
  - Toasting and Warming
  - Truvection
  - Burner and heat transfer systems
- Corporate and administrative savings
  - Insurance
  - Audit
  - Tax



**Expectation to expand profitability to >20% EBITDA margins within 3 years**

## Transaction Financial Expectations

- **Sales**
  - Growth from improving residential market
  - New product introductions
  - Penetration of emerging markets
  - Opportunities to grow through future acquisition
- **Profitability**
  - Dilutive to EPS first half 2013
  - Accretive to EPS second half 2013
  - Increase of EBITDA margins to >20% within 3 years
- **Other financial**
  - Depreciation estimate \$10 million per annum
  - Capex consistent with Middleby historic trends (1% to 2% sales)
  - Intangible Amortization estimated \$9 - \$12 million per year
  - Incremental effective tax rate estimated 36% to 38%
  - Non-P&L cash benefit from tax deductibility of \$4 to \$5 million per year

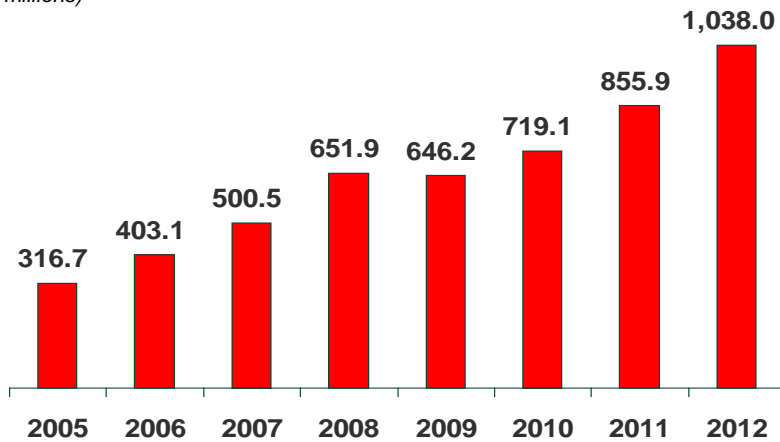


# Middleby Financial Performance



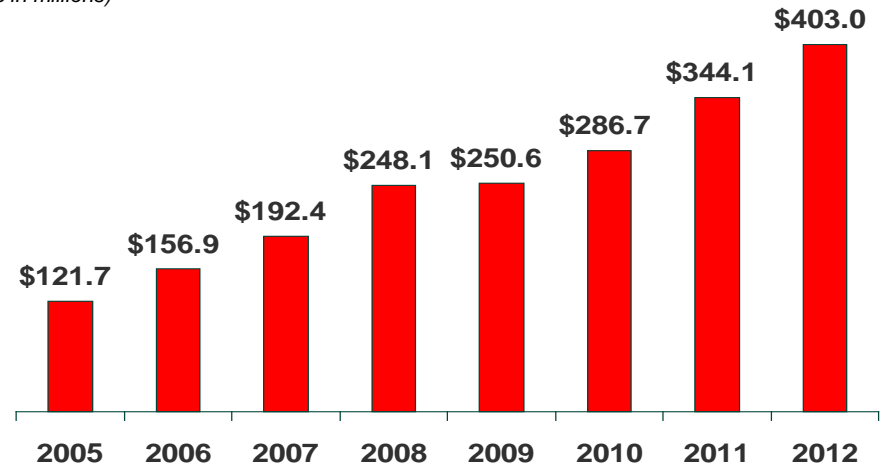
## Sales

(\$ in millions)



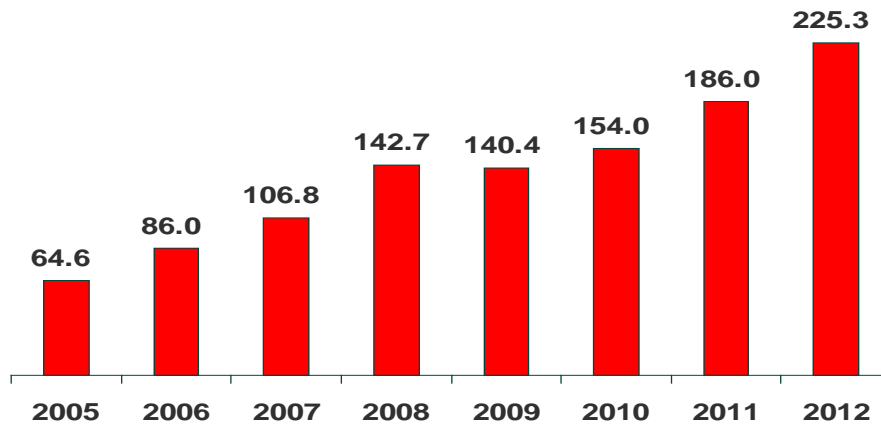
## Gross Profit

(\$ in millions)

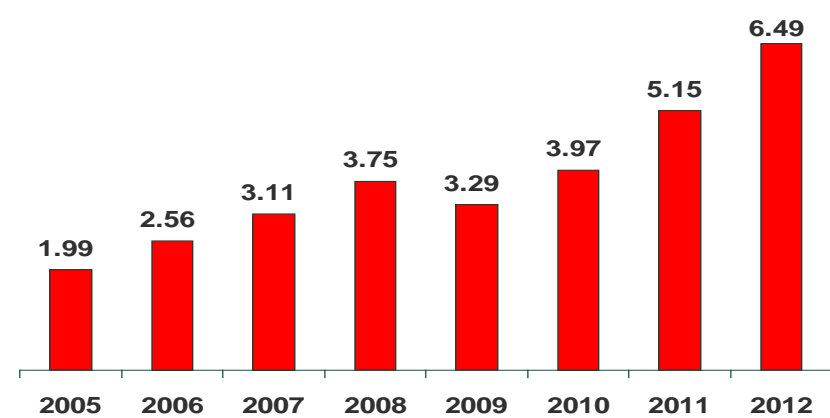


## EBITDA

(\$ in millions)



## EPS



# Free Cash Flow

(\$ in millions)

## Free Cash Flow<sup>1</sup>



Significant free cash flow generation

<sup>1</sup>Free Cash Flow = Operating Cash Flow - Capital Expenditures

# Cash Flow Per Share

Diluted Earnings Per Share	\$ 6.49
Depreciation and Amortization	\$ 1.39
Non-Cash Share Based Compensation	\$ 0.65
Tax NOL Utilization	\$ 0.35
Adjusted Cash Flow Per Share	\$ 8.87

**Significant Non-Cash Costs reported in GAAP EPS**

# Growth and Investment Initiatives

## REVENUES

- ◆ Penetration of existing key account customers
- ◆ Investment in Emerging Markets
- ◆ Improvement in Housing Market
- ◆ New Product Introductions
- ◆ Acquisition Growth

## PROFITABILITY

- ◆ Material Cost Savings
  - Supplier Consolidation
  - Overseas Sourcing
- ◆ Acquisition Integration
- ◆ Manufacturing Consolidation
- ◆ Higher Margin New Product Introductions

## CAPITAL and INVESTMENT

- ◆ Continued Focus on Cash Flow
- ◆ Debt Reduction
- ◆ Acquisition Investment

# Key Investment Highlights

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- ◆ **Market Leader on Hot-Side of Foodservice Equipment**
  - *#1 or #2 market position in U.S. across most product lines*
- ◆ **Established Well-Respected Brands**
  - *Premium brands recognized for innovative technology, efficiency and quality*
- ◆ **Premier Customer Base**
  - *Aligned with leading U.S. and international restaurant chains*
- ◆ **Positioned for Growth**
  - *Strong pipeline of new differentiated products*
  - *Focus on higher growth segments across diverse end markets*
- ◆ **Unique Global Footprint**
  - *International sales and service infrastructure provides attractive opportunities in emerging markets*
- ◆ **Strong Profitability And Commitment to Operational Excellence**
  - *Ongoing success in process improvements*
- ◆ **Successful Track Record of Growth through Acquisitions**