



# Q3 Earnings Update

November 9, 2021

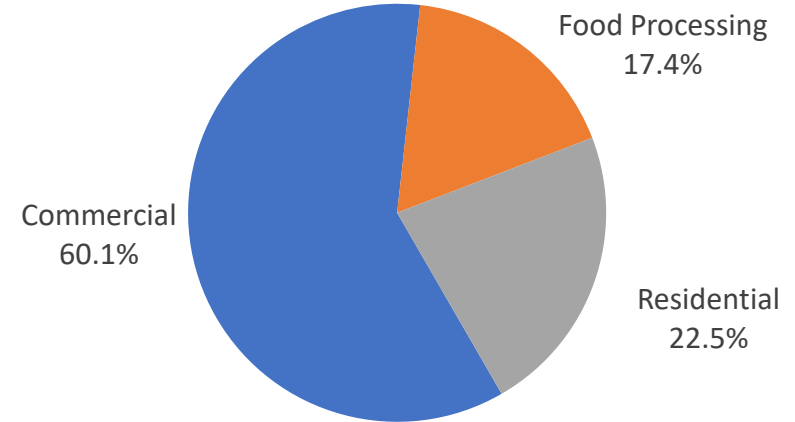
# Middleby Segment Summary



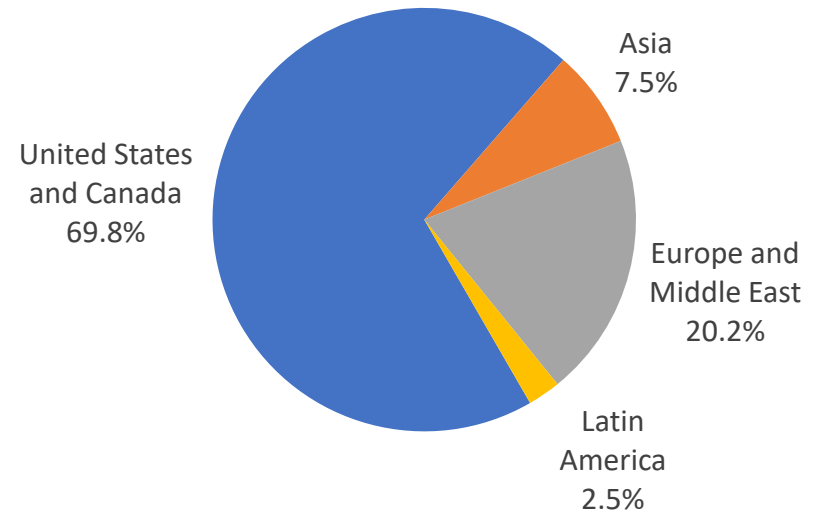
## THREE INDUSTRY-LEADING FOODSERVICE PLATFORMS

- 100+ highly-respected, leading brands
- Global business infrastructure
- Highly synergistic business segments
- Technology and innovation leader
- Strong track record of profitability and cash flow
- Well positioned for existing and new market trends

## 2020 REVENUE BY SEGMENT



## 2020 REVENUE BY REGION



# Financial Results



## Q3 2021 FINANCIAL RESULTS

	Q3 '21	Q3 '20	Change
Net Sales	\$817.5	\$634.5	28.8%
Gross Profit	299.6	222.7	34.5%
% of Sales	36.6%	35.1%	
Operating Income	233.5	86.7	169.3%
Net Earnings	176.0	60.5	190.9%
Adjusted EBITDA	172.2	126.5	36.1%
% of Sales	21.1%	19.9%	
LTM Bank EBITDA as defined in credit agreement	735.9	563.4	30.6%
Operating Cash Flow	173.7	151.4	14.7%

## RESULTS COMMENTARY

- Revenue increase of 22% organically as compared to prior year.
- Organic revenue growth at Commercial Foodservice 32%, Residential Kitchen 14% and Food Processing 1%.
- Strong organic adjusted EBITDA across all segments:
  - Commercial Foodservice 24.5%
  - Residential Kitchen 20.6%
  - Food Processing 21.8%
- Q3 Order rates for all segments continue to show strength with all exceeding 30%. Backlog levels continue to grow as well.

# Commercial Foodservice



## Q3 2021 FINANCIAL RESULTS

	Q3 '21	Q3 '20	Change
Revenues	511,480	371,223	37.8%
Adjusted EBITDA	124,683	83,309	49.7%
Adjusted EBITDA as % of Revenues	24.4%	22.4%	
Organic Adjusted EBITDA as % of Revenues	24.5%		

### Revenue and Growth

U.S. and Canada	366,619	37.9%
International	144,861	37.5%

## RESULTS COMMENTARY

- Growth across all regions globally as compared to prior year.
- Margin expansion provided by sales volume, pricing, profitability initiatives and disciplined cost control.
- Q3 backlog is up 210%+ from prior year end and 30%+ over Q2 '21.
- Order rates grew 60%+ in Q3 over prior year and 30% over Q3 '19.
- We are investing in all types of automation – digital, embedded, and collaborative solutions to address our customers' critical challenges from labor shortages.
- The Middleby Innovation Kitchens continues generate very robust customer and channel partner traffic while receiving rave reviews. The MIK is an invaluable tool for collaboration with our customers.

# Residential Kitchen



## Q3 2021 FINANCIAL RESULTS

	Q3 '21	Q3 '20	Change
Revenues	193,395	152,654	26.7%
Adjusted EBITDA	40,473	27,899	45.1%
Adjusted EBITDA as % of Revenues	20.9%	18.3%	
Organic Adjusted EBITDA as % of Revenues	20.6%		

### Revenue and Growth

U.S. and Canada	113,230	16.3%
International	80,165	44.8%

## RESULTS COMMENTARY

- Growth across most regions globally as compared to prior year resulting in organic growth of 16% domestic and 10% international.
- EBITDA improvements reflect higher sales volumes, benefits from facility consolidations and the sale of a non-core tile business in January 2021.
- Q3 backlog is up 85%+ from prior year end and down 3% over Q2 '21.
- Order rates grew 30%+ over Q3 '19.
- Seeing growth across our product portfolio, including premium appliances, under-counter refrigeration and outdoor cooking.

# Food Processing



## Q3 2021 FINANCIAL RESULTS

	Q3 '21	Q3 '20	Change
Revenues	112,670	110,648	1.8%
Adjusted EBITDA	24,591	26,290	-6.5%
Adjusted EBITDA as % of Revenues	21.8%	23.8%	
Organic Adjusted EBITDA as % of Revenues	21.8%		

### Revenue and Growth

U.S. and Canada	84,443	2.8%
International	28,227	-1.1%

## RESULTS COMMENTARY

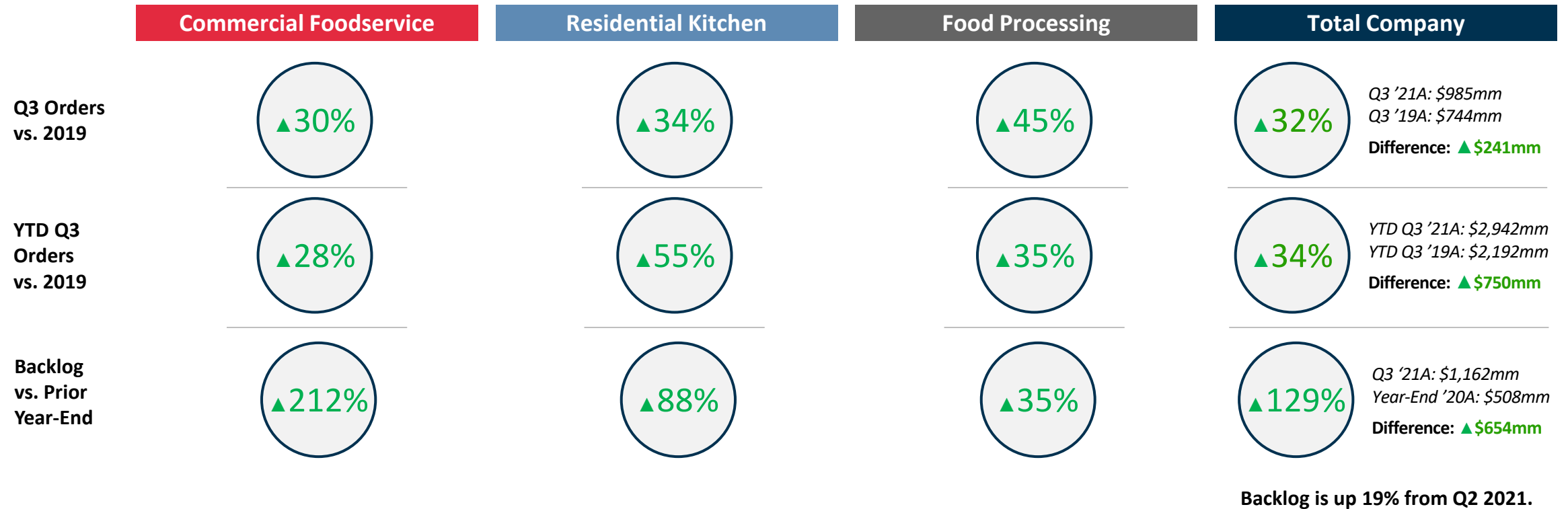
- Domestic revenue growth primarily drive by protein.
- Q3 backlog is up 35% from prior year end and is up 15%+ over Q2 '21.
- Order rates grew 40%+ in Q3 over prior year, 45% over Q3 '19 and 15%+ over Q2 '21.
- Demand remains strong for our latest processing technologies and automated full-line solutions in both the bakery and protein processing as our customers evaluate capital investments to address the risks of labor availability and employee safety.

# Business Conditions – 2021 Order Trends



## Middleby's Three Innovative Businesses

- All segments reported positive order trends for 2021 as compared to amounts reported for 2019 and 2020
- The order data below compares Q3 '21 to Q3 '19
- Backlog levels have positioned all the segments for growth into 2022



Note: Order and backlog data refers to organic figures.

# Debt and Liquidity

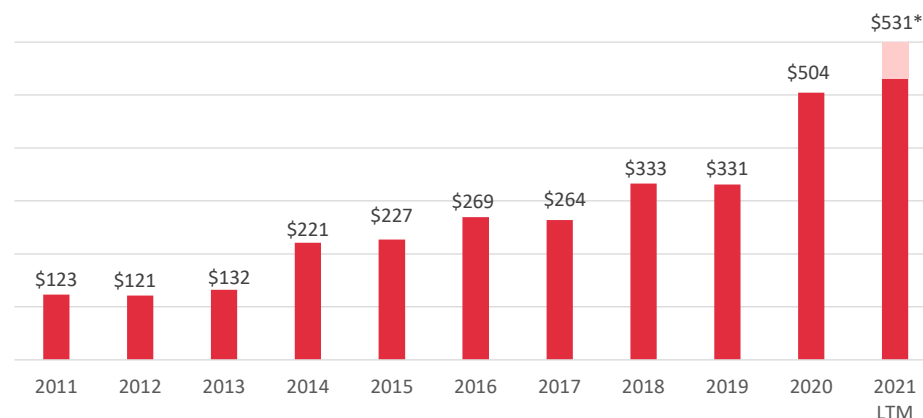


## Q3 2021 LEVERAGE RATIO (IN \$000s)

Cash	\$251.5
Debt	\$1,887.6
Net Debt*	\$1,750.8
LTM EBITDA *	\$735.9
Total Leverage	2.4x
Covenant Limit	5.5x

\* As defined in the credit agreement

## 10-YEAR FREE CASH FLOW GROWTH (in 000s)



\*Proforma LTM Free Cash Flow is \$462 million, excluding the termination fee received, net of taxes and deal costs of approximately \$68 million.

## LIQUIDITY COMMENTARY

- During Q3, we used \$378 million for acquisitions and received approximately \$77 million in a termination fee, net of taxes and deal costs
- Q3 generated operating cash flow of \$174 million despite the following:
  - Increase in working capital of nearly \$80 million to support increased demand and to manage supply chain risks
  - Q3 free cash flow represents 90% of net income
- On 10/21/21, we amended our credit agreement:
  - Increased facility size from \$3.1 billion to \$4.5 billion and extended maturity to five years from amendment date
  - Facility includes \$1 billion term loan, \$2.75 billion revolver, and \$750 million delayed draw term loan (we have one year to draw)
  - Increased secured leverage covenant from 3.5x to 3.75x or 4.25x after acquisitions
- Current borrowing capacity is approximately \$2.3 billion



# Middleby Continued M&A Focus



Middleby has successfully deployed capital to acquire brands over the years which are strategically complementary to the current portfolio

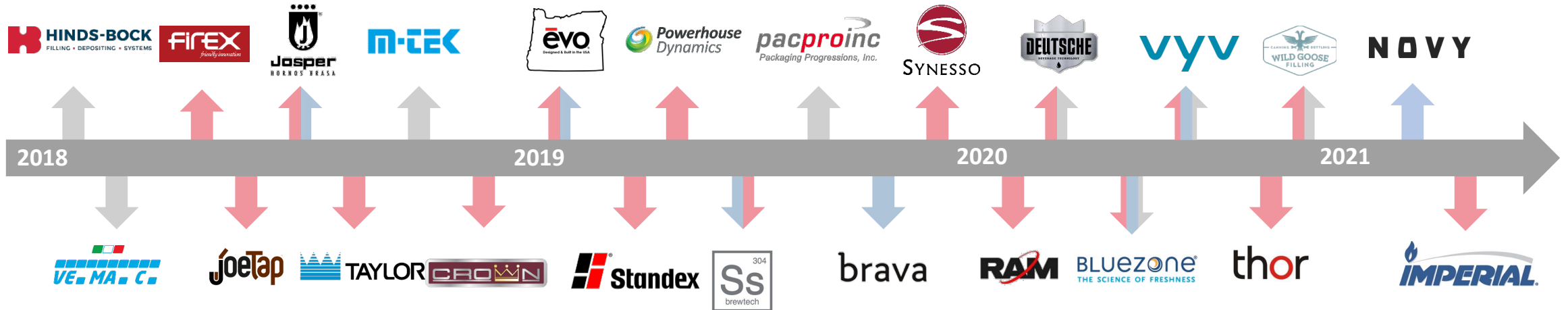
## RECENT M&A ACTIVITY

- Middleby has completed 20+ transactions since the beginning of 2018, investing in key technology initiatives and trends, while enhancing the company's capabilities across all three business segments
- Many of the most recent acquisition have ongoing sales and profitability benefits yet to be realized
- Middleby is clearly positioned for additional opportunities in Commercial Foodservice, Food Processing and Residential Kitchen

## Strategic Investment Themes

- *Foodservice and Food Processing Automation*
- *Beverage Platform Expansion*
- *Health and Safety*
- *International Expansion*
- *IoT and Controls*
- *Ventless Cooking*

## SELECT ACQUISITIONS & INVESTMENTS



↑ Commercial Foodservice  
 ↑ Residential Kitchen  
 ↑ Food Processing



<https://imperialrange.com/>

## Acquisition Highlights

- Highly complementary and synergistic with our current commercial foodservice brand portfolio
- Annual revenues of approximately \$40 million and 18%+ EBITDA margins
- World-class and highly automated manufacturing facility with the ability to leverage other brands and segments
- Expansion of west coast footprint allowing for broader capabilities and support of our domestic customers
- Opportunities in international markets leveraging Middleby Worldwide infrastructure
- Established and growing presence in the quickly growing fast-casual restaurant segment



# New Product Spotlight – Taylor NextGen Grill



- Significant labor reduction
- Increased throughput and speed of service
- Menu flexibility
- Simple one-button operation
- True compression cooking enhancing taste and quality
- Self-adjusting cooking platens with fast temperature recovery
- Features Middleby advanced connected control



***A Revolution in Grill Automation***