



# Middleby Overview

November 2023

# Middleby Business Overview

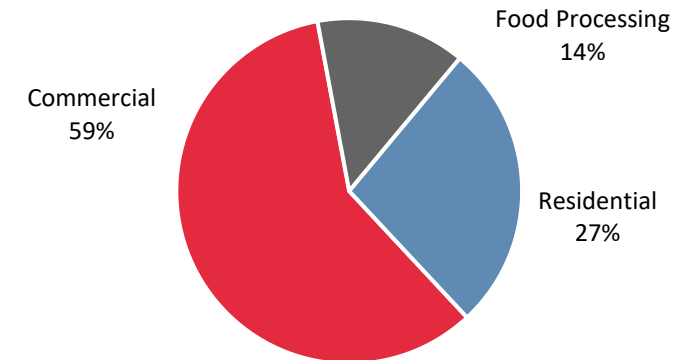
*Diversified industry-leading foodservice business*



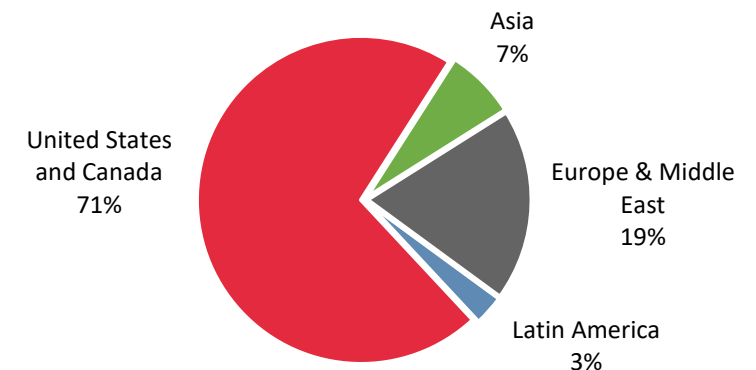
## Three Industry-Leading Foodservice Platforms

- 120+ industry leading brands
- Highly-synergistic foodservice segments
- Consistent growth in profitability and cash flow
- Technology and Innovation leader
- Differentiated go-to-market capabilities
- Proven track record of strategic M&A
- Positioned to capture rapidly evolving market trends

### 2022 PROFORMA REVENUE BY SEGMENT \*



### 2022 PROFORMA REVENUE BY REGION \*



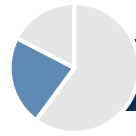
\*Revenues adjusted to depict estimated results if ownership of acquired businesses was effective for the entire year.

# Snapshot of Middleby's Business Segments



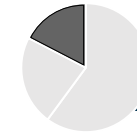
## Commercial Foodservice

- ✓ Middleby is a leading global manufacturer of commercial cooking equipment
- ✓ Extensive portfolio of products catered toward restaurants (from quick service to fine dining) as well as institutions such as hospitals and schools
- ✓ Leading solutions provider across commercial kitchen and beverage categories



## Residential Kitchen

- ✓ Middleby entered the ultra-premium residential appliance market with the acquisition of Viking Range in 2013 and has since built a portfolio of leading brands
- ✓ Enables customers to experience commercial grade innovation and chef-approved appliances in their home
- ✓ Broad product portfolio including ranges, built-in surface cooking and ovens and cook tops, stand alone and built-in refrigeration and outdoor cooking equipment



## Food Processing

- ✓ Middleby is a leader in preparation, cooking, baking, packaging, and food safety systems for the industrial processing, baking and packaging industry
- ✓ Core products include batch ovens, belt ovens, continuous processing ovens, automated thermal processing systems, automated loading and unloading systems, meat presses, reduction and emulsion systems, defrosting equipment, and packaging and food safety equipment

### Select MIDDLEBY Brands

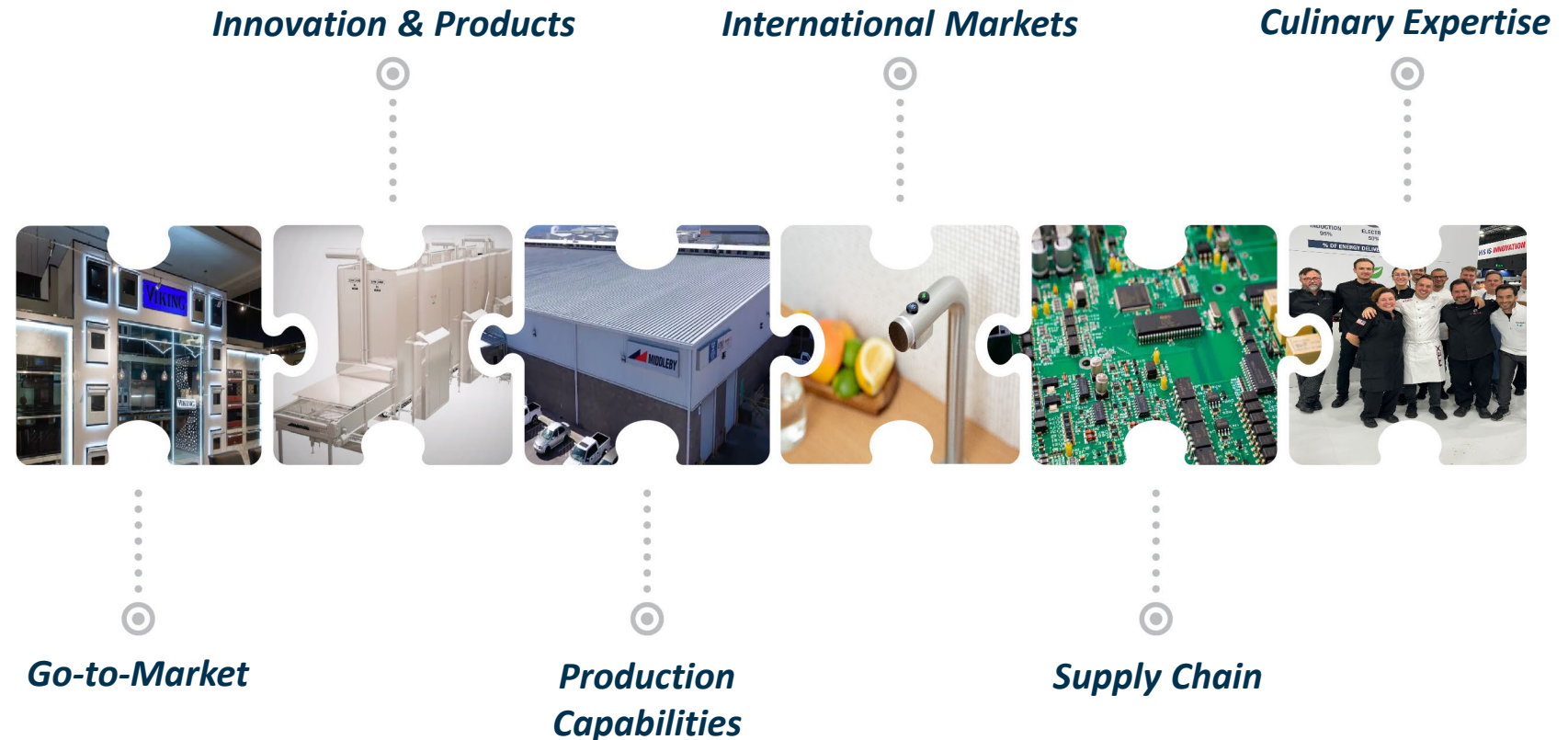


# Three Synergistic Platforms Working Together



## Three Synergistic Platforms Allow Middleby to:

- Accelerate New Product Development
- Realize Improved Profitability
- Expand into New Market Opportunities
- Continuous Customer-Driven Innovation
- Enhance Capabilities to Deliver Unique Customer Solutions



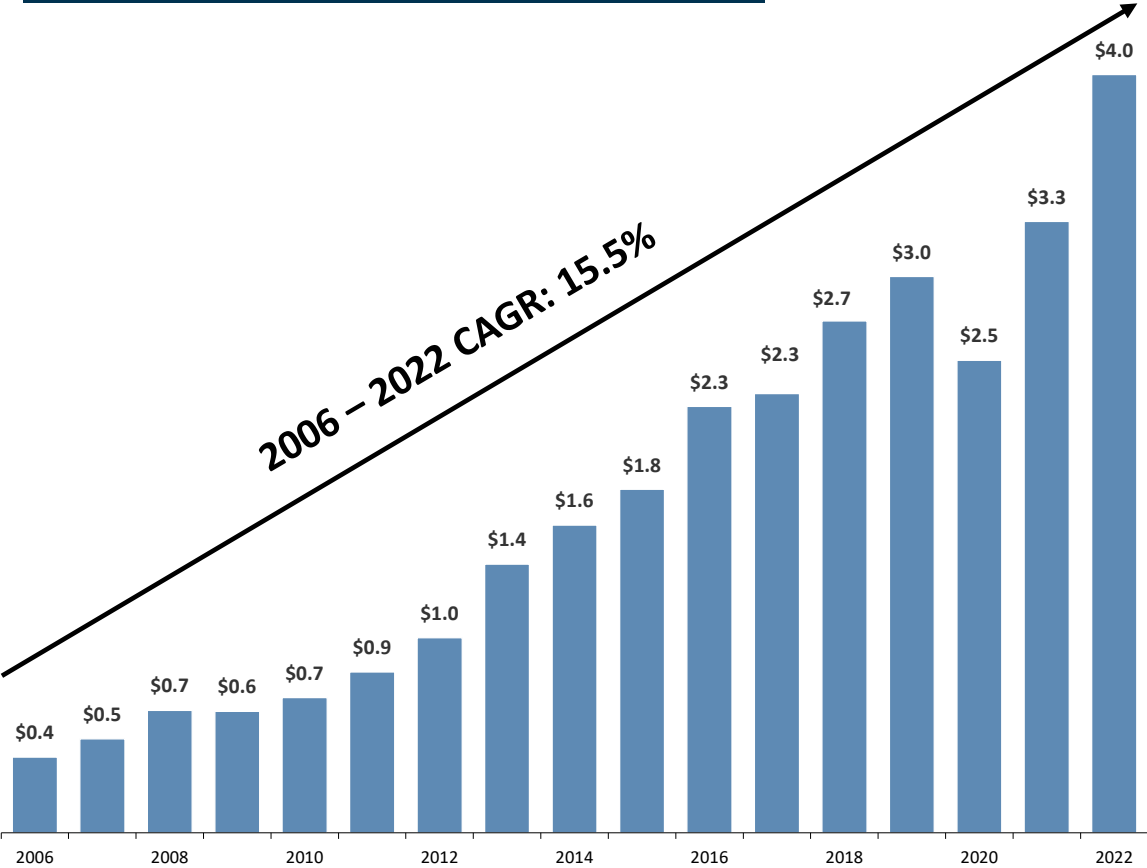
*Sharing Synergies to Accelerate Growth*

# Middleby Proven Track Record of Growth

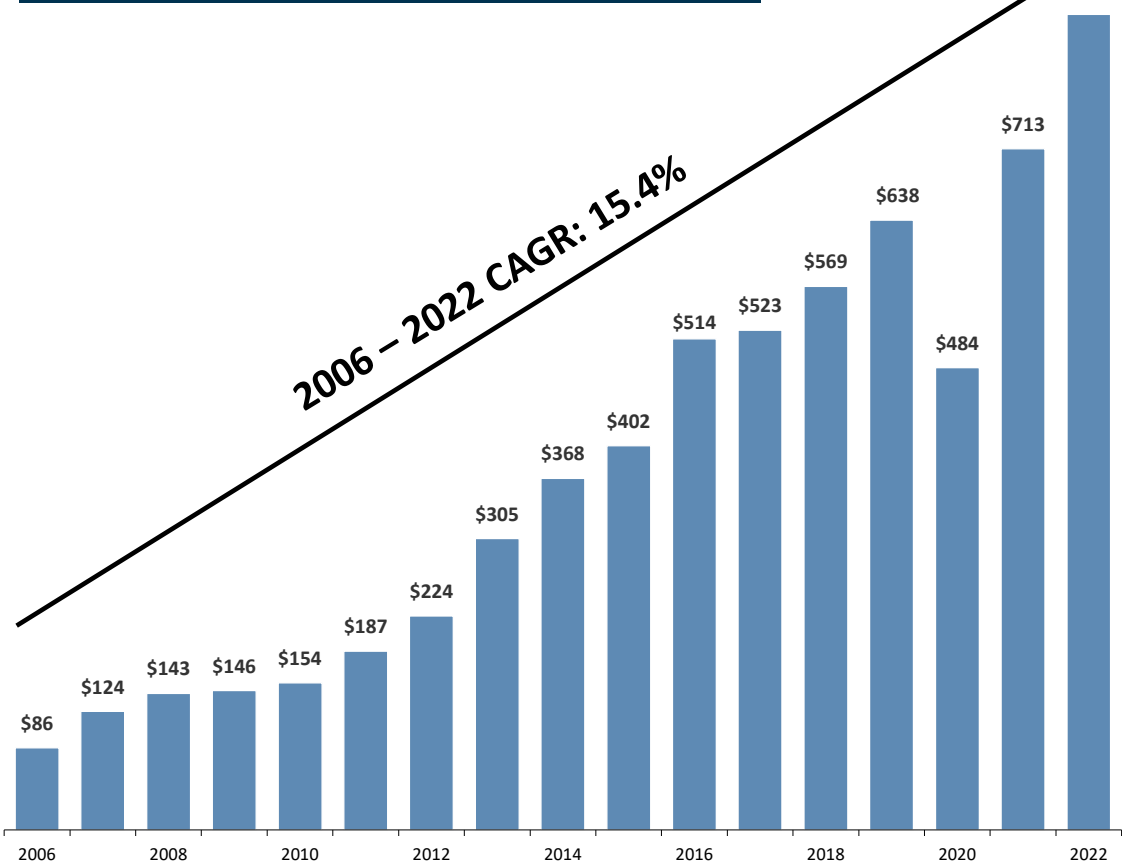


Long-term consistent growth in sales and profits

**Historical Sales (\$ in billions)**



**Historical EBITDA (\$ in millions)**

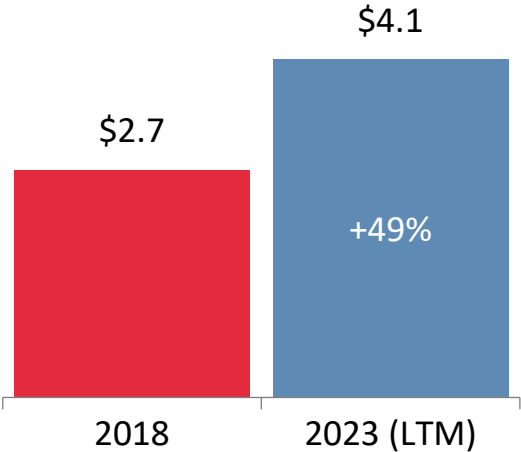


**Long-Standing Track Record of Consistent Growth and Profitability**

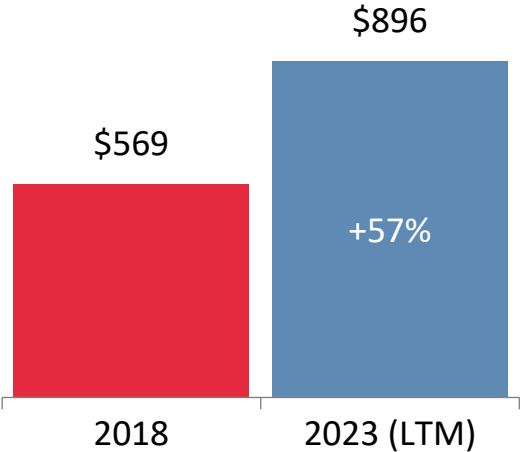
# Five-Year Comparative Operating Performance



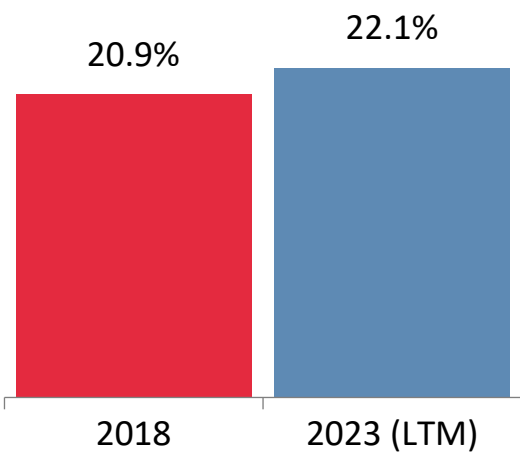
**Sales (BN)**



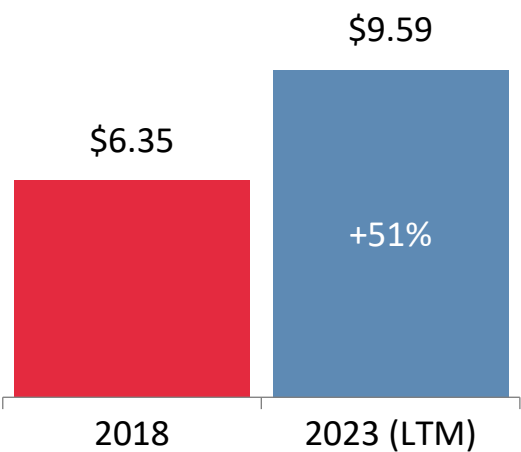
**Adjusted EBITDA (MM)**



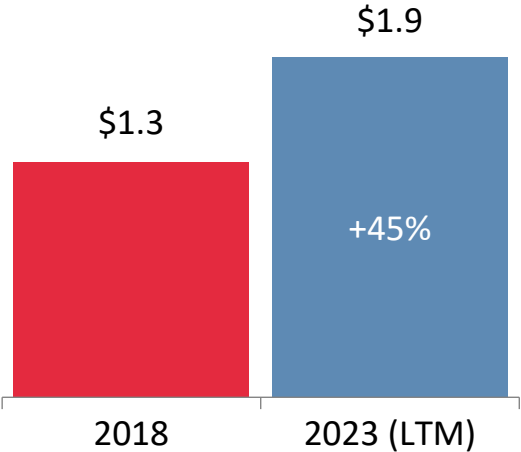
**Adjusted EBITDA Margin**



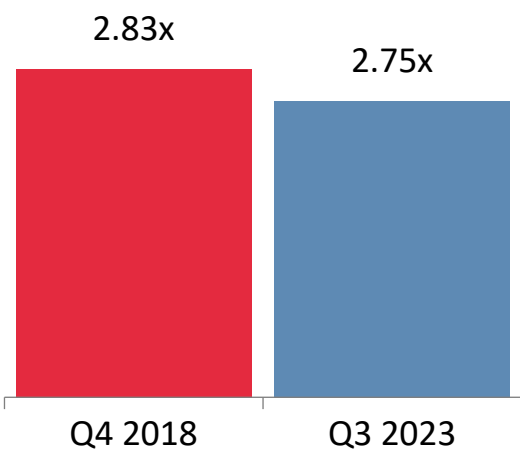
**Adjusted EPS**



**Rolling 5-Year Free Cash Flow (BN)**



**Leverage Ratio**



# Debt and Liquidity

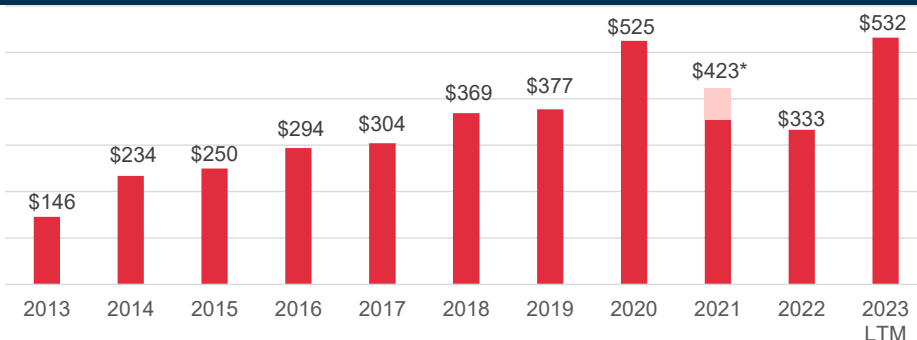


## Q3 2023 Leverage Ratio (in \$000s)

Cash	\$167.2
Debt	\$2,580.2
Net Debt*	\$2,499.2
LTM EBITDA*	\$909.4
Total Leverage	2.75x
Covenant Limit	5.5x

\* As defined in the credit agreement

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



\*Proforma Free Cash Flow is \$355 million, excluding the termination fee received, net of taxes and deal costs of approximately \$68 million.

## Liquidity Commentary

- QTD operating cash flows were \$219 million versus \$84 million in the prior year
- LTM operating cash flows of \$532 million, an increase of 112% over the prior year LTM
- Quarter-end borrowing capacity was approximately \$2.5 billion
- Total leverage could likely be near 2x at the end of 2024, in the absence of any acquisitions/investments or stock buybacks
- 66% of our debt is currently at fixed interest rates, including the impact of interest rate swaps
- Bank credit facility matures in October 2026

# EBITDA Margin Progression and Targets



## Key Drivers

- Innovation and sales mix
- Acquisition integration
- Supply-chain initiatives
- Operational investments
- Price-cost

Segment	2021	2022	F2023	Target
Commercial	25.1%	26.1%	~27.5%	30%
Residential	20.9%	17.1%*	~12.5%*	25%
Food Processing	22.4%	22.3%	~24.0%	25%

\*Affected by acquisitions

## Anticipated Timeline

- For the Commercial Foodservice and Food Processing divisions, we anticipate delivering the targeted EBITDA margins within two years
- For Residential Kitchen, we envision achieving the EBITDA margin goal in three to four years, as the timing of hitting the objective includes meaningful dependency on market conditions improving



# Commercial Foodservice – Overview and Strategic Initiatives

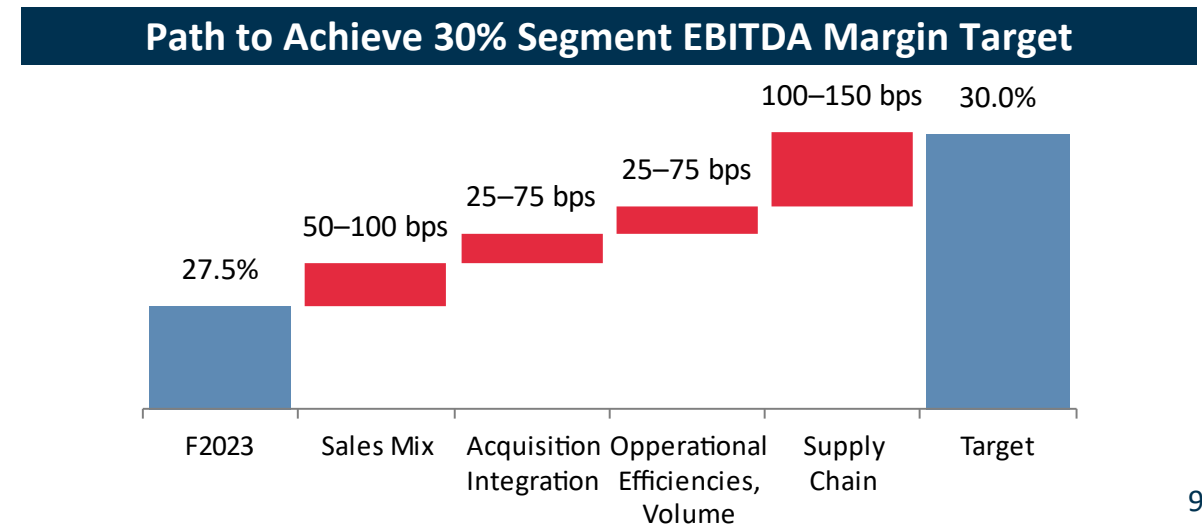
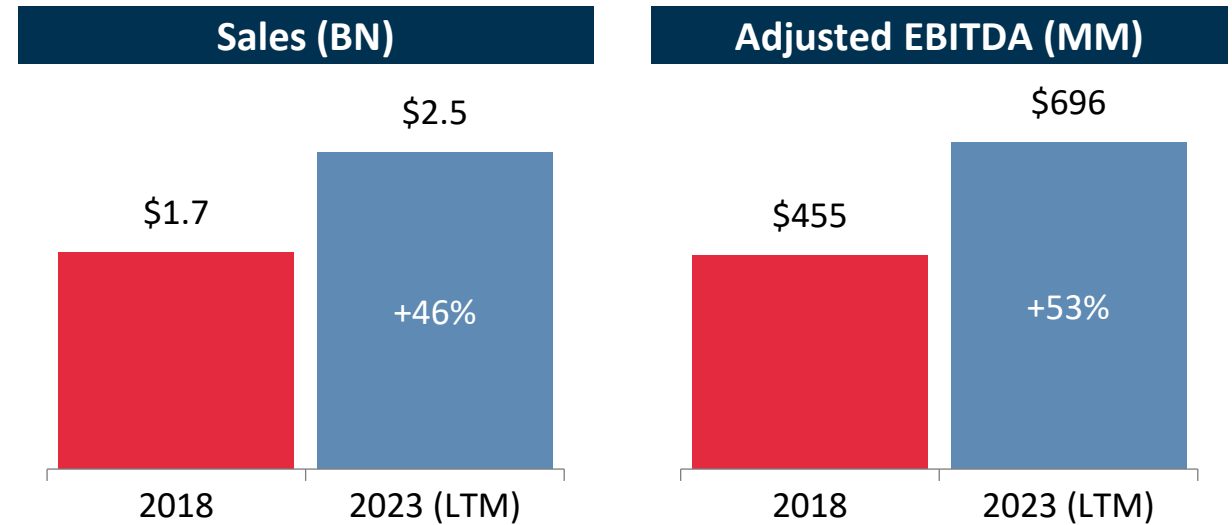


## Global Leader in Foodservice Equipment

- Industry-leading brands and established relationships with blue-chip customers
- Strong track record of delivering consistent annual sales growth, both organically and through acquisitions
- Top-tier margins, returns, and solid cash generation allow for financial flexibility
- Continuous customer-driven innovation

## Positioned in High-Growth Areas

- Recently established beverage and ice portfolio positioned for growth in \$5-plus billion market segment
- Well-established leadership in Automation, the Internet of Things (IoT), and digital controls providing accelerating future growth opportunities
- Positioned to capture growing demand for electrification, induction, ventless, and sustainable equipment solutions
- Invested in emerging international growth markets



# Residential Kitchen – Overview and Strategic Initiatives

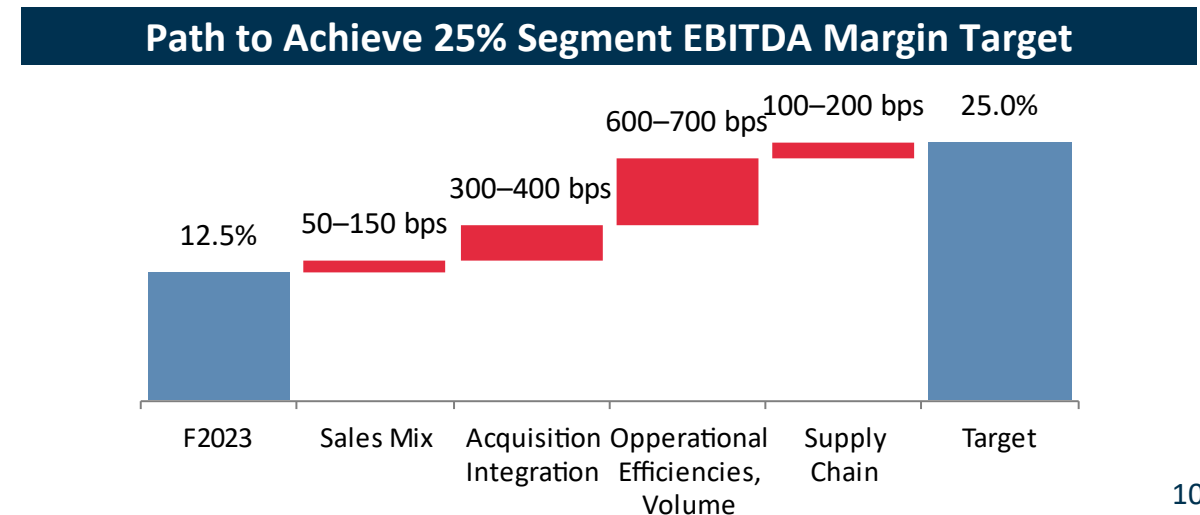
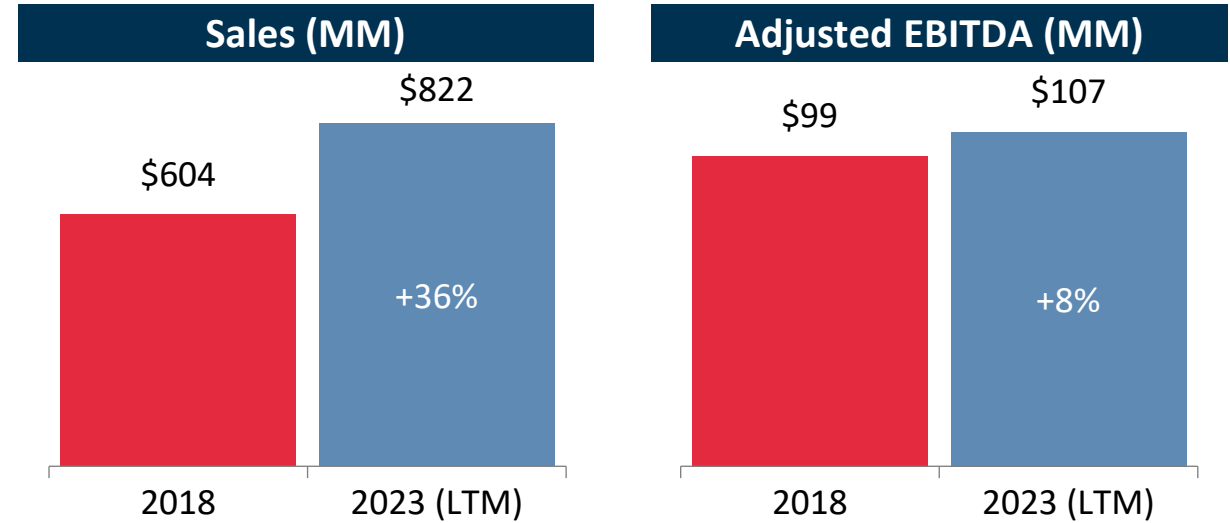


## Leading Portfolio of Premium Performance Residential Kitchen Equipment

- Unique collection of premium consumer brands infused with commercial technology and performance
- Highest, most resilient margins among peer group with significant margin expansion opportunity
- Established company-owned sales and distribution, ability to leverage strength of entire portfolio

## Runway for Growth and Margin Gains

- Recent acquisitions with significant expected margin improvement
- Gaining share with the designer market, providing for long runway of growth
- Rapidly expanding induction and electrification offerings, positioned to capture emerging trends leveraging proven commercial technologies
- Recent investment in Middleby Residential Showrooms with Culinary and Design teams create growth in brand and product awareness



# Food Processing – Overview and Strategic Initiatives

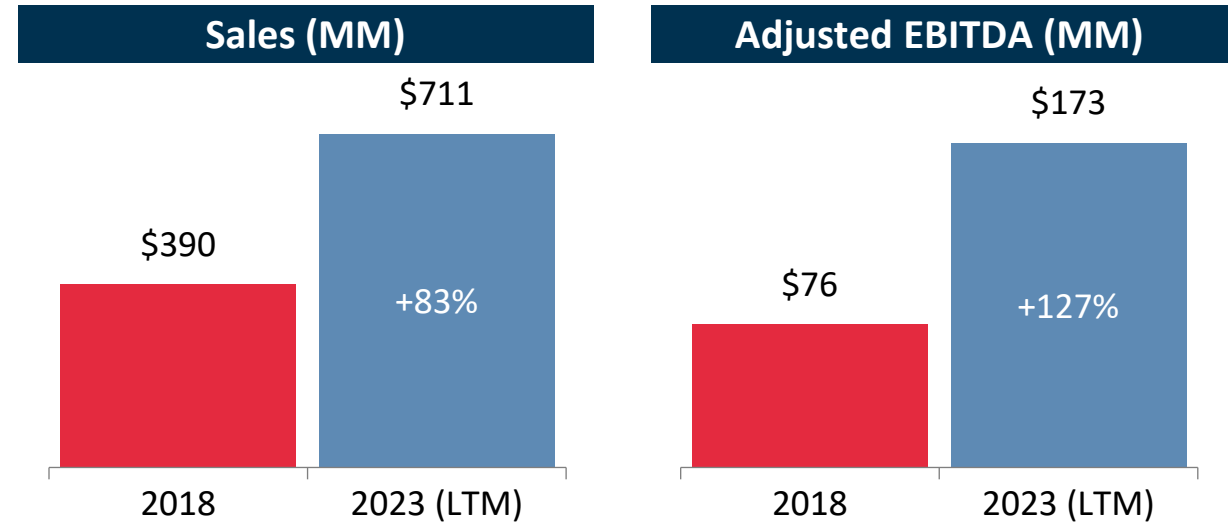


## Leader in Food Processing Equipment

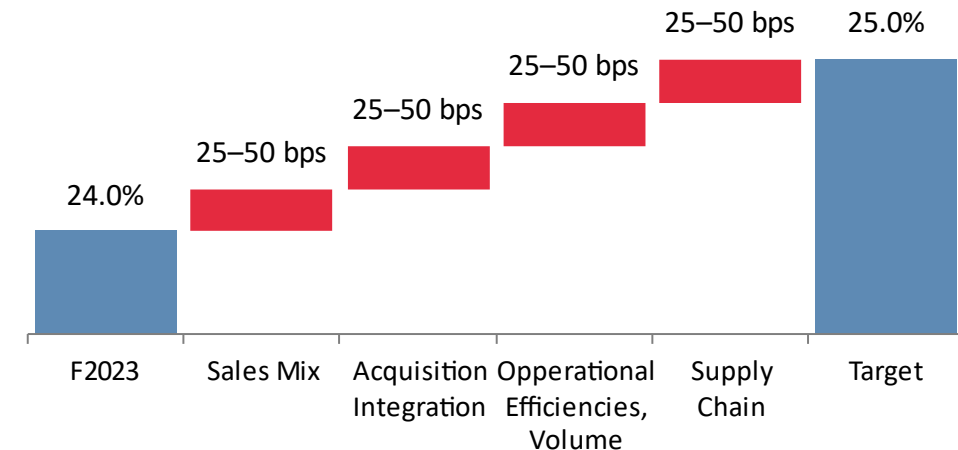
- Best-in-Class end-to-end solutions for industrial protein and bakery processors
- Strong record of delivering long-term sales growth, both organically and through strategic acquisitions
- Highest industry margins and returns
- Continuous customer-driven innovation

## Material Growth Opportunities

- Recent introductions of automation solutions addressing customer demand for labor savings and efficiency gains
- Further expansion into new markets, such as alternative protein, poultry, pet food and snacks
- Highly fragmented industry with significant further consolidation opportunities
- Leading product offerings addressing sustainability (energy, water, food and carbon footprint)



## Path to Achieve 25% Segment EBITDA Margin Target



# Transformational Investments Past 5 Years



- Establishing our position as the **Leader in Digital IoT & Automation**
- **Game-changing Product Innovations** supporting accelerating market and operating trends (*electrification, kitchen efficiency, food costs and sustainability*)
- **Re-evolution of our Go-to-Market Strategy** (*end-user, digital, sales channel, innovation centers*)
- Expansion of **International Capabilities in Key Growth Markets** (*China, India, Mid-East*)
- **Operational Investments in driving Margin Expansion** and supporting Growth Initiatives (*Supply Chain, Engineering, Manufacturing*)
- Establishment of **New Product Platforms with High-Margin Growth Opportunities** (Ice & Beverage)
- **Strategic Acquisitions with Future Benefits** of increased Sales and Profitability yet to be realized

***Transformational Investments Driving Future Growth***

# Executing on Strategic M&A

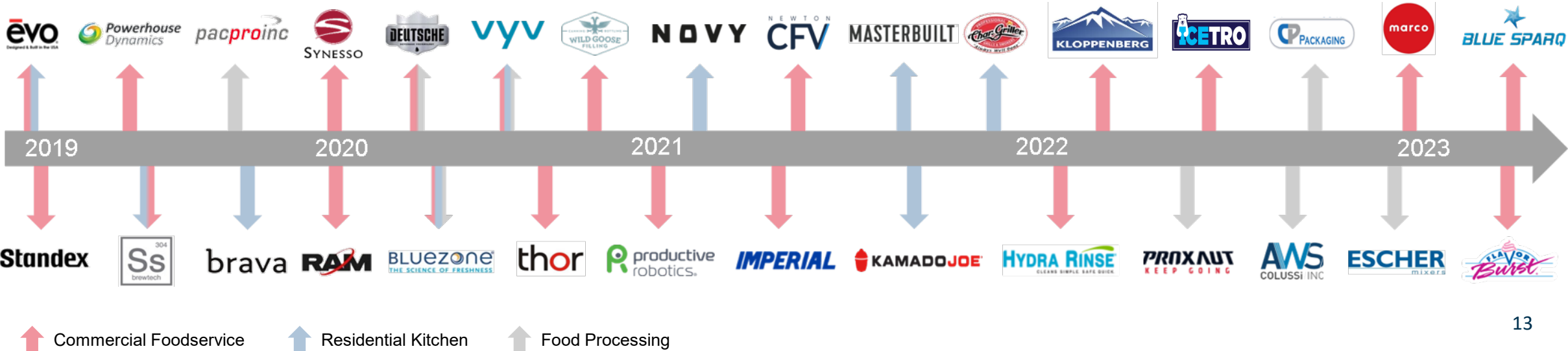


## Recent M&A Activity

- Middleby has completed 30+ transactions since the beginning of 2019, investing in key technology initiatives and trends, which have enhanced our capabilities and offerings across all three business segments
- Many of the recent acquisitions 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

- Automation, IoT and Digital Controls
- Beverage Platform Expansion
- Food Processing Full-Line Solutions
- Ventless and Electrified Cooking
- Residential Brand and Product Portfolio
- International Expansion



# New Beverage Platform with Growth Opportunities



## POSITIONED FOR GROWTH TRENDS

- Automated Coffee & Espresso
- Nitro Brew/Cold Brew
- Ice Production & Storage
- Soda, Tea, & Water dispense
- Liquor & Bar automated dispense
- Blending & Smoothies
- Brewing & Distilling
- Shakes & Deserts
- Canning & Bottling
- Flow control

**Financial**  
~\$600M Revenues  
25%+ EBITDA



SYNESSO



**\$5+ Billion Market Opportunity with Favorable Trends**

# Middleby Ice Line-Up



## Full-Line Global, Chain, and Dealer Solutions

- Expected revenue growth - \$50M in 2024
- \$1.75B to \$2.0B global market
- High margin mix product lines
- Product lines cover all ice types – Chewblet, nugget, ½ cube, cube, and shaved ice
- 250 lb, 460 lb, 550 lb, 750 lb, 1100 lb, 1700 lb, and 2000 lb production capabilities
- Safely and sanitarily pump ice up to 75 feet to remote bins (up to two) with the Follett's RIDE system
- Terry Water Filtration CITRYNE system ensures best tasting ice



1700 lb and 2000 lb  
ICETRO w/ 48in bin



1400 lb FOLLETT  
RIDE System



TERRY

# Well-Positioned for International Growth



## Key Market Investments

- China/Asia
- India
- Dubai/Mid-East
- UK
- Germany



**Investments in Target Markets to Support Future Growth**



# Accelerating Innovation Across Platforms



## All new Middleby product introductions focus on:

- Automated Cooking / Preparation
- Reduce Utility/ Boost Efficiency
- Loading and Unloading Features
- Simply and Reduce Labor
- Increased Speed/Throughput
- Consistency and Quality
- Flexibility and Multi-Purpose



### Induction Range Top

- 90-95% efficient v. 33% gas and 50% electric



### Middleby Automated Bacon Line

- 100 packs per minute (Industry standard up to 70 ppm)
- 43% more throughput @ 50% reduction in staff levels (approx. 20 people)



### Automated Double-Side Grill

- Reduces Cooking up to 60%
- Reduces returns (miss-cooks) to kitchen up to 80%
- Deskills labor and reduces training

**Three Game-Changing Examples of Product Driving Customer ROI and Experience**

# Supporting our Customer's Sustainability Objectives

*Middleby customers are continually seeking innovative solutions to address their Sustainability priorities. With a pressing need to put strategies into place to achieve their long-term goals, our partners are experiencing a rising demand from their stakeholders to develop and implement sustainable solutions.*



Middleby offers a range of products and solutions addressing Sustainability and our customers' priorities. As we continue to grow we are keenly focused on solutions to meet these needs which include:

**Sustainability Solutions**

- INDUCTION AND ELECTRIFICATION
- VENTLESS COOKING
- ENERGY MANAGEMENT SYSTEMS
- DATA MANAGEMENT FOR OPERATIONAL EFFICIENCY
- HOLDING AND SPEED COOK TO REDUCE FOOD WASTE
- MINIMIZING WATER USAGE
- PROPRIETARY CHEMICAL FREE CLEANING
- ENERGY STAR RATED PRODUCT

# OPEN KITCHEN

The ONE IoT-Based  
Solution to Enhance  
Facility & Kitchen  
Performance

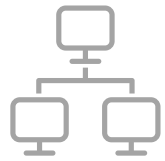


# OPEN KITCHEN BY POWERHOUSE DYNAMICS

Based in Boston

Founded in 2010

Acquired by Middleby in 2019



Developer of Open Kitchen platform for managing equipment, operations and energy for multisite restaurants, convenience stores and retailers



Open Kitchen uses IoT technology to connect, analyze and control equipment for the Smart Enterprise

## 10,000+ Customer Sites and Growing





## Front of house - Energy, HVAC, Lighting Automation

- Remote control & diagnostics over HVAC + other equipment
- 10%-20% energy savings
- Payback 10-16 months



## Middle of house - Cold Chain Management & Task Management

- Monitor refrigeration, Digitize HACCP task lists
- Labor savings, risk reduction
- >\$5k/yr./ store labor savings
- Payback measured in months



## Back of house – Connected Equipment

- Create & distribute recipes remotely – eliminate >\$200/store/update
- Remote firmware updates
- Access real-time data on equipment
- Payback measured in months



# TURBOCHEF CONNECTIVITY BUNDLE

FUTUREPROOF YOUR EQUIPMENT PURCHASE

With Open Kitchen® from Powerhouse Dynamics, restaurants, convenience stores, and food retailers can use just one platform to connect and monitor TurboChef™ ovens and other brands and types of kitchen equipment, as well as automate essential facility functions like refrigeration monitoring, food safety reporting and HVAC control.

### KEY BENEFITS

- Create and distribute recipe and menu updates remotely
- Get real-time equipment alerts
- Ensure consistency and accuracy of food safety data
- Save time and labor with automated data collection and reporting

### OPEN KITCHEN CONNECTIVITY BUNDLE INCLUDES:

#### TURBOCHEF INTEGRATED WITH CONNECTWARE MODULE

Wirelessly connects your oven to the Secure Access Point



GET STARTED TODAY!

#### SECURE ACCESS POINT

- **Secure:** PCI Level 1 certified
- **Simple:** Plug & play
- **Versatile:** Connects to multiple pieces of equipment in your facility

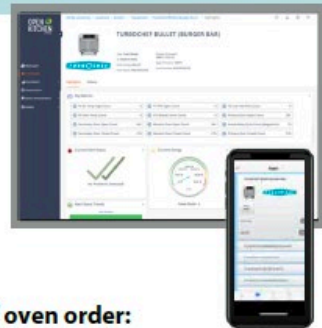


Secure Access Point (SAP)

#### 5-YR OPEN KITCHEN LICENSE

Connect your TurboChef oven to Open Kitchen software. No more thumb drives for recipe updates! Create and distribute recipes and menus online.

Gain real-time visibility into your operations and receive alerts when there are problems with your equipment.



Add one of the following part numbers to your TurboChef oven order:

- **MDD-1001 - IoT Connectivity (SAP + ConnectWare module + 5YR Open Kitchen Subscription)**
- **MDD-1002\* - IoT Connectivity (ConnectWare module + 5YR Open Kitchen Subscription)**

*\*Only use this part number if the TurboChef oven is going to a location that already has an SAP and other connected equipment.*



# TAYLOR INTEGRATION PROGRAM

ENHANCING KITCHEN & FACILITY PERFORMANCE

Connect, monitor and analyze Taylor® IoT enabled equipment anywhere.

With Open Kitchen® from Powerhouse Dynamics, restaurants, convenience stores, and food retailers can use just one platform to connect and monitor Taylor® equipment and other brands and types of kitchen equipment, as well as automate essential facility functions like refrigeration monitoring, and food safety reporting.

### KEY BENEFITS

- Remote assessment of equipment performance, status, and usage
- Less down time
- Improved profitability
- Enhanced customer experience

Learn more at [OpenKitchen.com](http://OpenKitchen.com)

#### TAYLOR INTEGRATED WITH OPEN KITCHEN

Connects to Open Kitchen cloud



#### OPEN KITCHEN SECURE ACCESS POINT

Use the Open Kitchen Secure Access Point to create a dedicated and secure Wi-Fi infrastructure for your equipment or simply connect with your store's Wi-Fi hotspot.

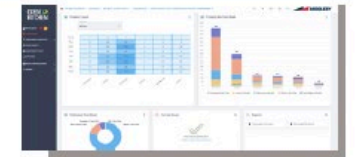


Secure Access Point (SAP)



#### OPEN KITCHEN SOFTWARE

Open Kitchen captures equipment data to provide real-time visibility into operations, and send alerts to your phone or inbox. Open Kitchen also includes a powerful mobile app for gaining even more insights and enabling additional on-site data collection.



GET STARTED TODAY!

Scan Code



Visit

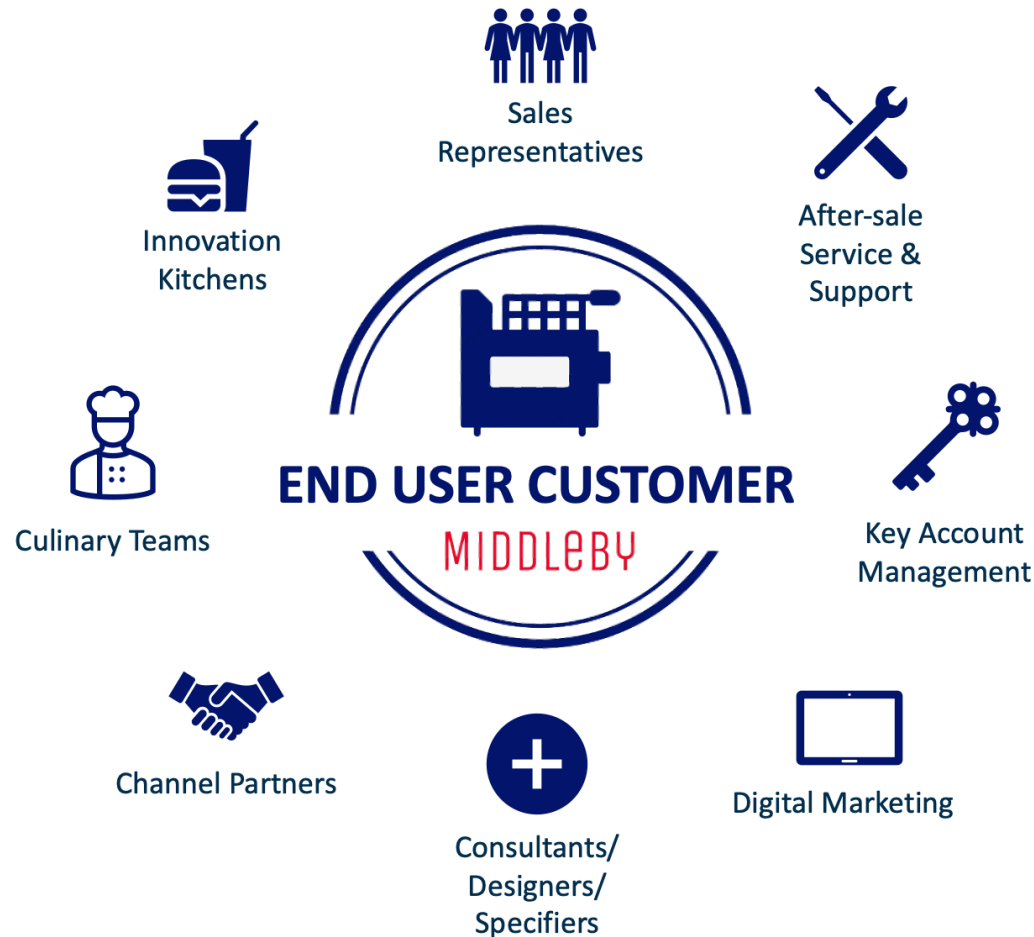
[bit.ly/Taylor-OpenKitchen](http://bit.ly/Taylor-OpenKitchen)

Contact

[sales@powerhousedynamics.com](mailto:sales@powerhousedynamics.com)  
or (617) 340-6582



# Transforming our Sales Processes



Middleby has made substantial investments in selling tools and initiatives focused on end-user engagement, greater brand awareness and launch of new product innovations



**Substantial Go-To-Market Investments Driving Future Growth**



# MIDDLEBY **INNOVATION KITCHENS**

Were you one of our first

**20,000 visitors?**

*Since its debut, The MIK has hosted more than 700 events, showcasing 200 pieces of live Middleby equipment in one spectacular location.*

*We're just getting started. See you soon.*

## Highlights

- Training and customer engagement at an all time high
- 72% of all US FCSI Consultants have attended training events at the MIK
- 435 of top 500 chains have visited the MIK
- Innovation Kitchens opened in Madrid 2023
- Two new Innovation Kitchens are under construction – Middle East (Dubai) and Germany (Munich)
- Extensive Middleby & Brand specific rep trainings



# Investing in Manufacturing Operations



*One of the top Middleby initiatives has been to invest in our manufacturing capabilities in an effort to increase our capacity, drive production efficiencies, and improve profitability. Middleby is well positioned to support new product launches and growth initiatives.*



## Top Initiatives to Increase Efficiencies & Profitability

1

Leverage the Middleby Global Supply Chain Team

2

Invest in New Capital (\$150 million+ in last 24 months)

3

Be Creative and Aggressive to Hire an Exceptional Manufacturing Workforce

# Middleby Cares Mission Statement

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Middleby is committed to being a responsive, responsible, and respected community citizen. Our corporate giving initiative supports impactful community outreach activities. Where our employees reside, so do we. We are proud to work together to better our communities. We engage with organizations located in proximity to our facilities that support food insecurity, education initiatives, youth programs, and needs for shelter and basic living necessities.

## Proud to Support

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# Key Takeaways



**Demonstrated Leader in Foodservice Equipment**

**Game-Changing Technology and Innovation Solutions**

**Strategic Investments in Go-To-Market Driving Growth**

**Proven Acquiror with Strong Pipeline of Opportunities**

**Clear Path to Margin Expansion**

**Transformational Growth Initiatives Are Underway**

