



3Q Earnings Update

November 5, 2020

COVID-19 Implemented Actions



COVID-19 UPDATE

In response to the COVID-19 pandemic, we implemented swift actions to protect our employees, ensure uninterrupted service to our customers and aggressively adjust our business and cost structure for a decline in revenues. Our businesses in all three segments support an essential daily requirement, food, and thus have been designated as essential globally. We are proud to continue to support our customers, while adhering to strict employee safety standards at all worldwide operations.

We have implemented the following in response to COVID-19:

- Employee Safety – Implemented companywide procedures including mandated mask policies, enhanced workplace sanitation, travel discontinuation, social distancing, staggered shifts and established work-at-home protocols for non-production employees.
- Customer Support – Ensured continued access to customer support, technical service and uninterrupted shipping of service parts and finished goods. Production continued to meet customer demand with minimal disruptions to address employee safety precautions.
- Cost and Profitability Initiatives – Instituted aggressive reduction of all controllable and discretionary costs. This included the adjustment of global office and production workforces in response to near-term reduced demand levels and reduced cash compensation to executives. Increased focus on prioritizing product and customers with highest profitability.
- Supply Chain – Established a task force to identify and mitigate supply chain disruption and ensure continuity of business operations and customer support.
- Liquidity and Cash Flow – Reduced capital expenditures for the remainder of year, enhanced working capital initiatives to drive inventory efficiency and suspended the Middleby share repurchase program. Maintaining investments in key strategic initiatives.
- COVID-19 Product Introductions – Developed and launched products addressing COVID-19 needs, including sterilization units for N95 masks, mobile and touchless handwashing stations, plexiglass safety shields for restaurants and retail locations, mobile foodservice stations and hand and cleaning sanitizer produced at our most recent-acquired company Deutsche.

Financial Results



Q3 2020 FINANCIAL RESULTS

	3Q20	3Q19	Change
Net Sales	\$634.5	\$724.0	-12.4%
Gross Profit	222.7	270.0	-17.5%
% of Sales	35.1%	37.3%	
Operating Income	86.7	121.3	-28.5%
Net Earnings	60.5	82.0	-26.2%
Adjusted EBITDA	126.5	157.0	-19.4%
% of Sales	19.9%	21.7%	
LTM Bank EBITDA as defined in credit agreement	563.4	678.5	-17.0%
Operating Cash Flow	151.4	128.2	18.1%

RESULTS COMMENTARY

- Revenue decline of 14% organically as compared to prior year.
- Organic growth at Residential Kitchen +11% and Food Processing +22%, offset by declines at Commercial Foodservice -27%.
- In spite of challenging market conditions, given our industry-leading margins and focus on cost control, while ensuring sufficient continuity of operations, we generated strong levels of profitability.
- We generated strong Adjusted EBITDA across all segments:
 - Commercial Foodservice 22.4%
 - Food Processing 23.8%
 - Residential Kitchen 18.3%
- Q3 2020 operating cash flow increased 18.1% over the prior year and included the benefit of reduced working capital, driven by reduced inventory levels.
- Our Q3 and LTM operating cash flows were record highs at \$151.4 million and \$463.9 million, respectfully.
- We expect positive operating cash flows for the remainder of 2020.

Segment Results



Commercial Foodservice

	3Q20	3Q19	Change
Revenues	371,223	500,990	-25.9%
EBITDA	83,309	126,507	-34.1%
EBITDA as % of Revenues	22.4%	25.3%	

Revenue and Growth

U.S.	265,793	-23.3%
Non-U.S.	105,430	-31.7%

Domestic and international revenue declines as a result of COVID-19; however order rates showed positive trends in Q3 and into the start of Q4. Market sectors such as QSR, pizza, healthcare and c-stores still reflecting stronger demand. Focused efforts on providing solutions for customers to meet current safety and operational needs especially with emergence of second wave of government restrictions.

Residential Kitchen Equipment

	3Q20	3Q19	Change
Revenues	152,654	133,877	14.0%
EBITDA	27,899	26,129	6.8%
EBITDA as % of Revenues	18.3%	19.5%	

Revenue and Growth

U.S.	97,318	12.0%
Non-U.S.	55,336	17.7%

Domestic and international revenue growth from premium appliance brands given the rise in home improvement projects and new home sales. Housing market remains resilient during this challenging time.

Food Processing

	3Q20	3Q19	Change
Revenues	110,648	89,147	24.1%
EBITDA	26,290	17,389	51.2%
EBITDA as % of Revenues	23.8%	19.5%	

Revenue and Growth

U.S.	82,126	43.4%
Non-U.S.	28,522	-10.6%

Domestic revenue growth was driven across the product portfolio and offset by international revenue declines due to COVID-19. Volatile order rates during the quarter, while maintaining a solid backlog.

Debt and Liquidity



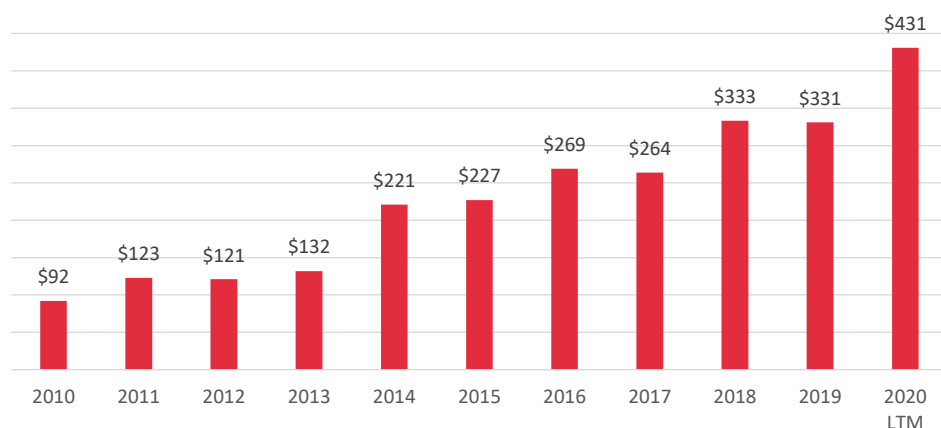
Q3 2020 LEVERAGE RATIO (IN \$000S)

Cash	\$220.3
Debt*	\$1,832.1
Net Debt**	\$1,785.2
LTM EBITDA **	\$563.4
Total Leverage	3.17x
Covenant Limit	5.50x

* Excludes approximately \$120.5m classified as equity and attributable to conversion feature under US GAAP

** As defined in the credit agreement

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



LIQUIDITY COMMENTARY

- Q3 generated all-time record high operation cash flow of \$151.4 million, and benefited from \$54.6 million reduction in inventory
- Record LTM operating cash flow of \$463.9 million as of Q3 2020
- During Q3 Middleby completed a convertible notes sale and amended our bank credit agreement
 - Issued \$747.5 million of five-year convertible notes, with a 1% interest coupon
 - Purchased a capped call for \$104.7 million to effectively increase the conversion price from \$128.62 to \$207.93, which greatly reduces dilution risk (less than 2% dilution projected at \$250 share price)
 - Notes proceeds of \$400 million were used to pay down outstanding term loan borrowings and the bank credit facility has decreased by this amount
 - Total leverage (incurrence) covenant has expanded to 5.5x, allowing the company flexibility to continue operational and strategic investments
- Current borrowing capacity is approximately \$1.3 billion

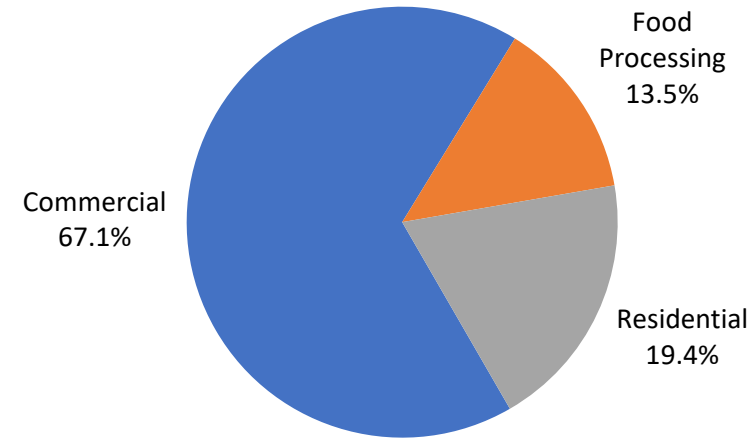
Middleby Segment Summary



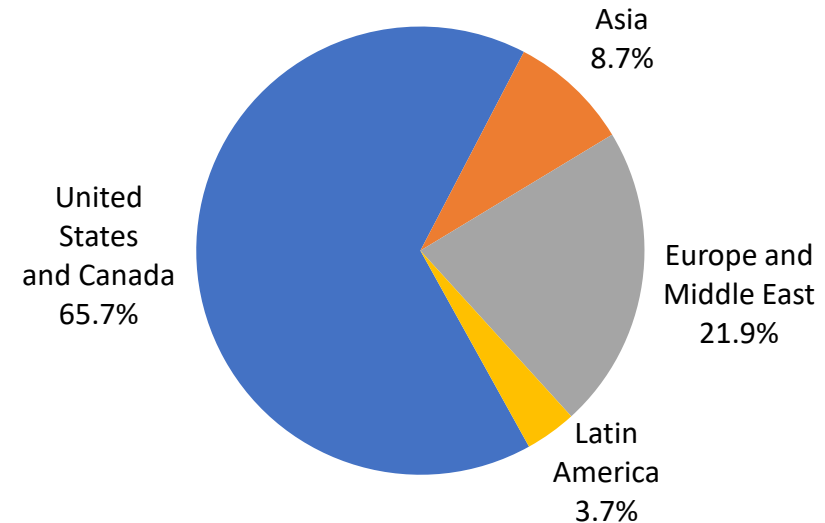
THREE INDUSTRY-LEADING FOODSERVICE PLATFORMS

- 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

SEGMENT REVENUES



SALES BY GEOGRAPHIC REGION



Near-Term Business Conditions—Recent Order Trends



Commercial Food Service



Business in quick-serve, pizza, retail, c-store and healthcare continue to be resilient with increased demand for delivery, drive-through and carry-out. There was a noticeable jump in parts orders for the third quarter as well. Casual dining restaurants have become more versed in carry out and delivery as they face another round of indoor dining restrictions. In the marketplace there continues to be a heightened focus on safety and related solutions. Middleby is well positioned to support new and accelerating trends with Bluezone and other commercial kitchen innovations.

Residential Kitchen



Order improvement has sustained as dealer and retail locations have re-opened and consumers plan for kitchen remodels, reallocating funds earmarked for vacations and other cancelled activities. Many continue working, staying and eating at home which has fueled a consistent demand for both indoor and outdoor residential cooking and refrigeration equipment. Resale inventory is low and sales are exceeding 2019 levels. Permits and new home starts in the U.S. are above prior year levels.

Trends in the Foodservice Industry

ACCELERATING TRENDS

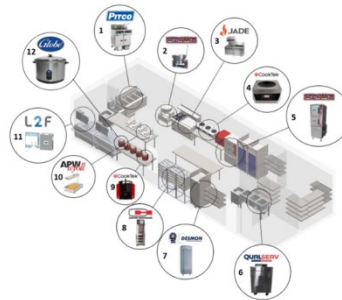
- Added focus on off-premise (delivery, carry out and drive-through)
- Focus on menu simplification, throughput and space utilization
- Growth in non-traditional foodservice like retail and c-store
- Labor will continue to be a primary challenge
- New foodservice models will continue including modular, ghost and cloud kitchens
- Remote monitoring and automation
- Safety protocols for employees and customers
- Continued demand trends in healthcare and assisted living

MIDDLEBY SOLUTIONS

- Middleby ventless kitchens for non-traditional and space savings
- Development and launch of Open Kitchen
- Middleby modular and ghost kitchens
- Data intelligence and automation solutions
- Middleby advanced controls
- Middleby touchless and automated Pick-Up Cabinets (PUC)
- Focus on integrated solutions for targeted segments including retail, c-stores, healthcare and emerging chains



MIDDLEBY VENTLESS SOLUTIONS



MIDDLEBY MODULAR AND GHOST KITCHENS



MODULAR AUTOMATED PICK UP CABINETS



IOT CONNECTED KITCHEN



VIRAL KILL AND FOOD PRESERVATION UNITS



MIDDLEBY'S NEW HIGH-LEVEL USER INTERFACE

Over the past year Middleby has made significant dedicated investments in R&D to focus on technology initiatives, solutions for industry trends and invested in targeted growth segments. As a result we are well positioned with solutions to address these needs that will accelerate as a result of COVID-19.

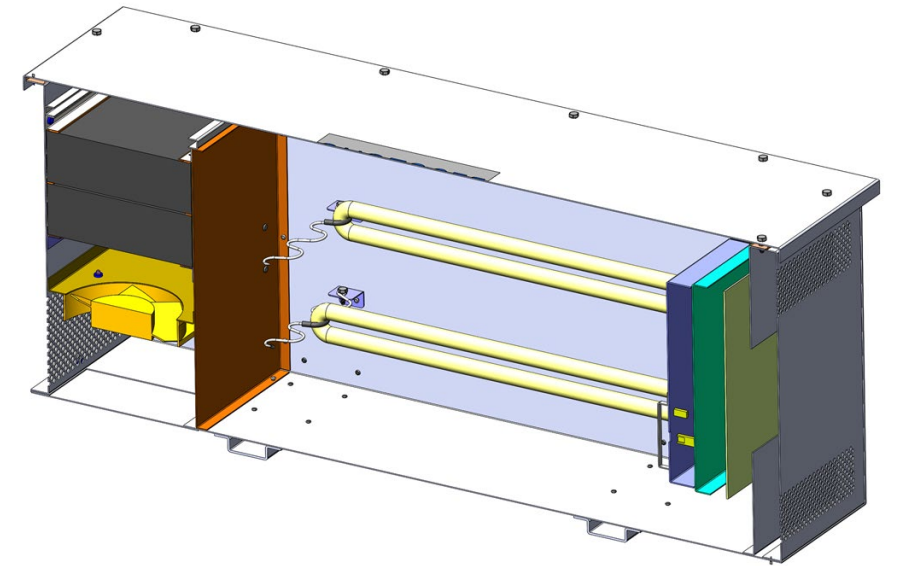
BLUEZONE[®]

BY  MIDDLEBY

 MIDDLEBY

Patented, No-Filter Air Purification System

- In demand by existing foodservice customers
- In study proven to destroy 99.9995% of airborne contaminants
- Most innovative and advanced technology available on the market
- Addresses top consumer indoor dining concern
- Core technology recommended by CDC, used by U.S. military
- Modular system, easily scaled for spaces, also built into furniture
- Food preservation system currently used in Viking refrigeration
- Visit www.bluezone.com for study and more information



COVID-19 Restaurant Impacts

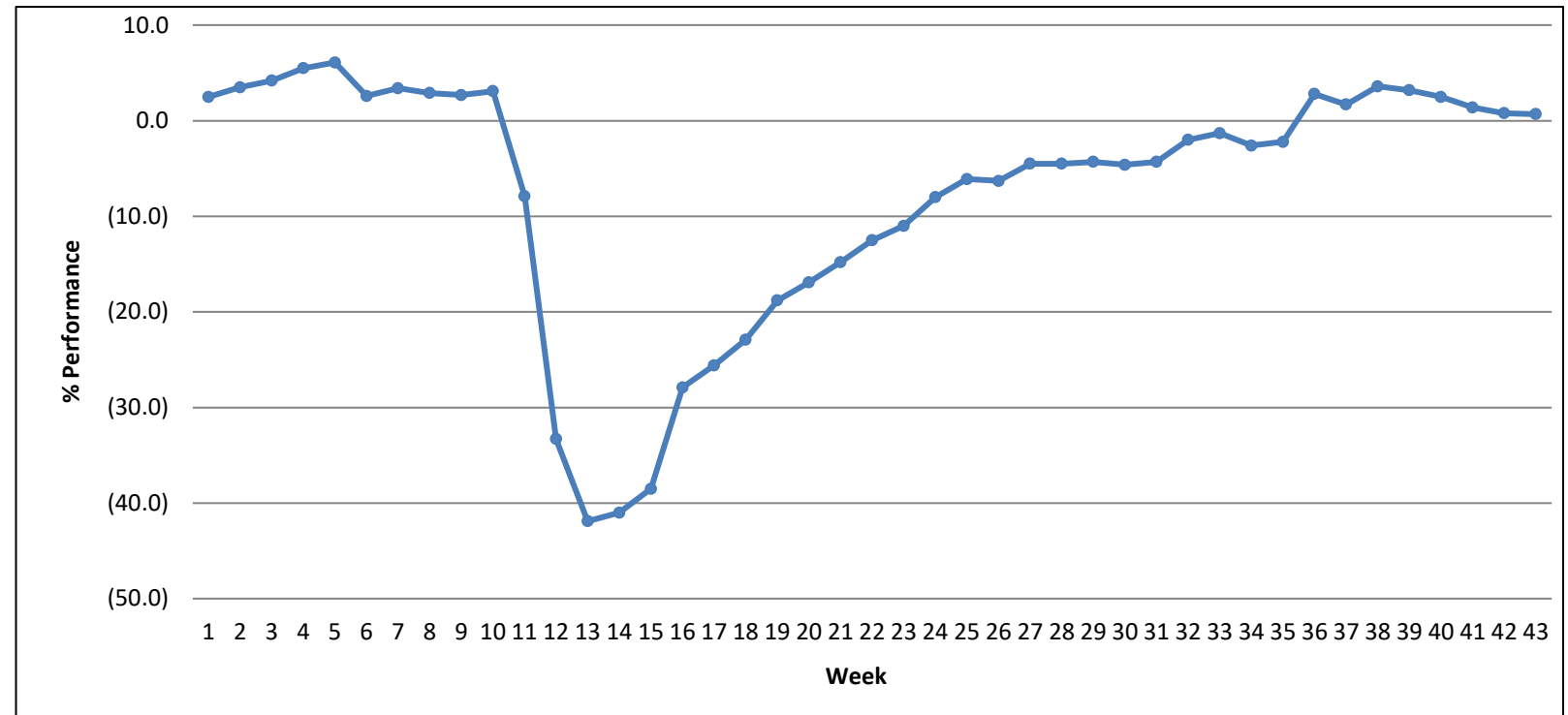


Domestic restaurant same store sales have been positive for several months according to reports from MillerPulse. Multiple industry sources show sustained positive levels and stability, with some customers surpassing 2019 levels.

Restaurants are rapidly adapting to the new the new normal:

- Expanding to-go options, with curbside pick-up and third-party delivery
- Adding or improving mobile and online customer ordering capabilities
- Restaurants in all states offer delivery and carry out, while some are facing another round of dine in restrictions
- Customers are ordering parts and moving forward with planned maintenance schedules
- According to Technomic data, 10% of restaurants will close in 2020

MILLERPULSE WEEKLY INDUSTRY SAME STORE SALES, 2020

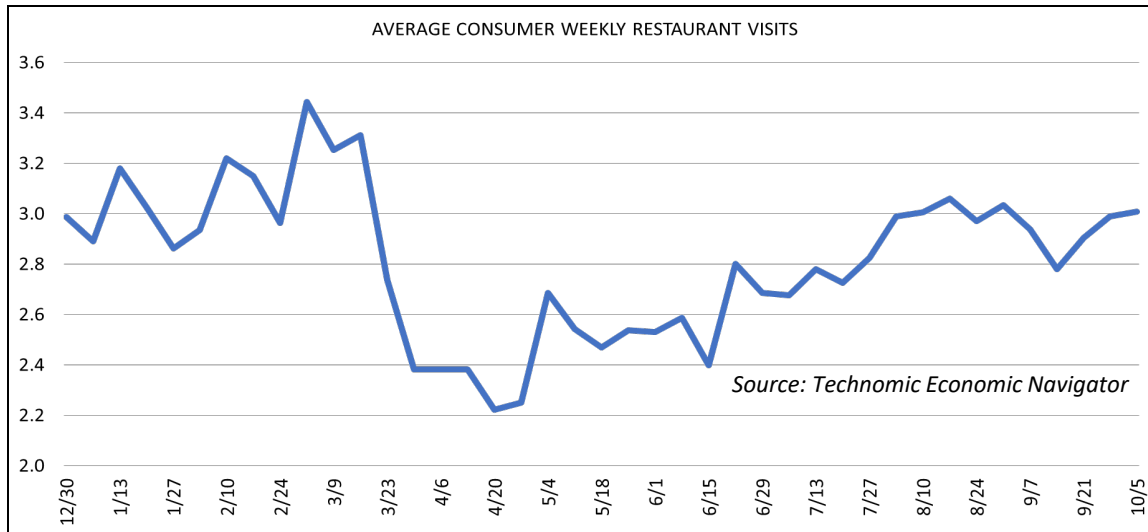


Source: MillerPulse
Week 43 ended
10/26/2020

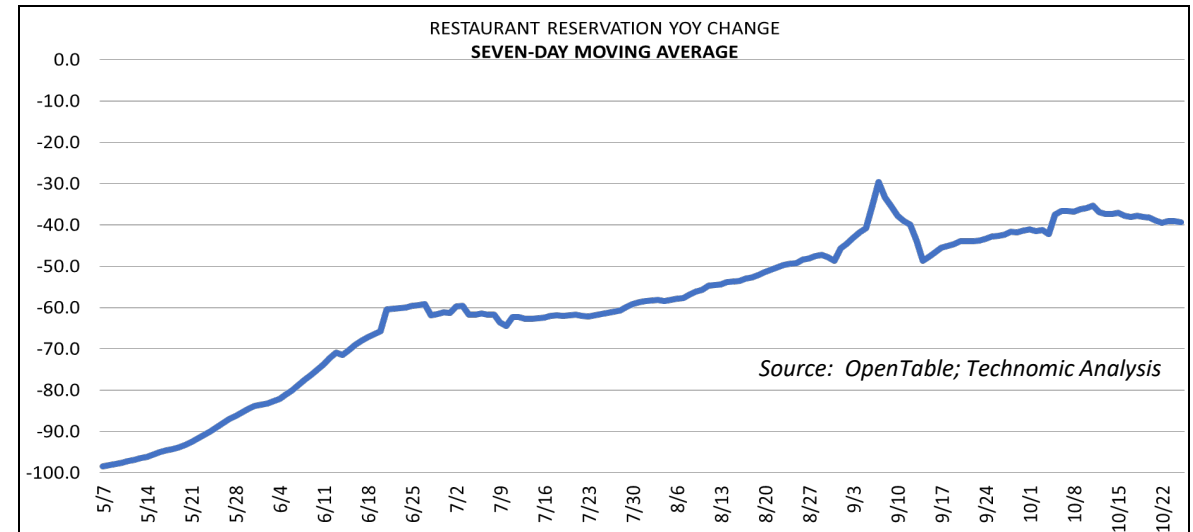
Customers Returning to Restaurants



AVERAGE CONSUMER WEEKLY RESTAURANT VISITS



RESTAURANT RESERVATION YOY CHANGE 7-DAY MOVING AVG.

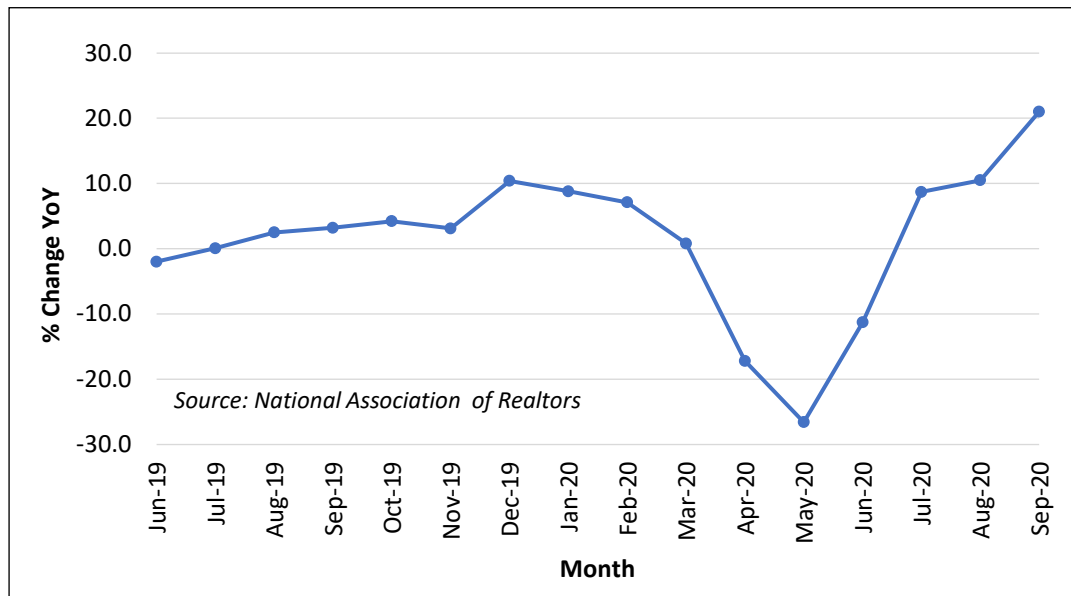


- Data confirms customers are back to weekly restaurant visit levels of pre-Covid (3+ weekly visits)
- According to Open Table, the restaurant reservation rate continues to rise
- Studies show consumers want to return to their favorite restaurants

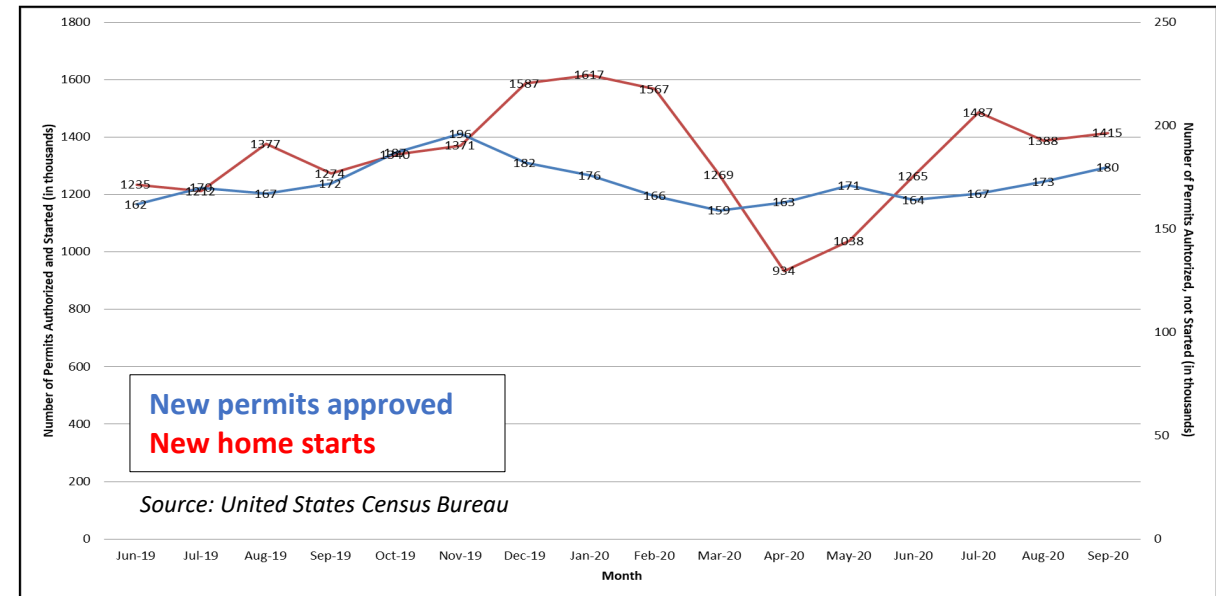
COVID-19 Residential Impacts – Home Sales and Starts



TOTAL EXISTING HOME SALES % CHANGE YEAR OVER YEAR



NEW HOME CONSTRUCTION



Domestic home sales and new home starts and building permits continue improvement since the onset of COVID. Existing home sales continue to improve with limited inventory on the market

- Existing-home sales grew for the fourth consecutive month in September, up 9.4% from August and nearly 21% from the same month in 2019 according to the National Association of Realtors®
- Building permits remain consistent with previous month levels and 2019 rates
- New home starts rose slightly over Aug 2020 and Sept 2019