



CL King Conference

September 16, 2009



# Forward Looking Statements

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# 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 and food processing industries
- ◆ Headquartered in United States (Chicago, Illinois)
- ◆ Publicly traded on U.S. stock exchange (NASDAQ symbol: MIDD)
- ◆ \$650 million trailing twelve month revenue
- ◆ 2,000 employees worldwide
- ◆ 13 worldwide manufacturing facilities
  - 9 U.S. Facilities
  - 2 European Facilities
  - 2 Asian Facilities



# 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 faster growth chain segments and emerging 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**

# Favorable Industry Dynamics

## Favorable Demographics

- Dual income families continue to eat out, even in challenging economic times
- Percentage of household income spent on food prepared outside the home is increasing
- Baby boomer generation approaching retirement

## Rising Foodservice Operator Costs

- Foodservice operators demanding greater productivity through automation
- Need for equipment with greater energy cost savings
- Increased food and cooking oil costs

## Menu Changes

- Expansion of new menu items driving purchases of new foodservice equipment
- On-premise baking more prevalent
- Growing awareness of nutrition implemented through low carb diets and increased presence of salads with grilled meat and fish

## Replacement of Existing Equipment

- Average lifespan of foodservice equipment is ~8 years
- Large installed base (over 850,000 establishments in U.S.)
- Replacement represents approximately one-third of the market

## Expansion of International Markets

- Trend in eating out gaining momentum
- Rapid growth in developing nations such as China and India
- U.S. chain concepts expanding internationally

**Many factors support demand for foodservice equipment**

# Company Breakdown

**12%**

### Food Processing Equipment

The Food Processing Equipment Group provides a broad array of innovative products for the food processing industry. These products include food preparation equipment, such as breading, battering, mixing, slicing, and forming equipment under the MP equipment brand; cooking equipment including batch ovens, belt ovens and conveyORIZED cooking systems under Alkar brand; and food packaging and food safety equipment under the RapidPak brand.

Company Breakdown



**88%**

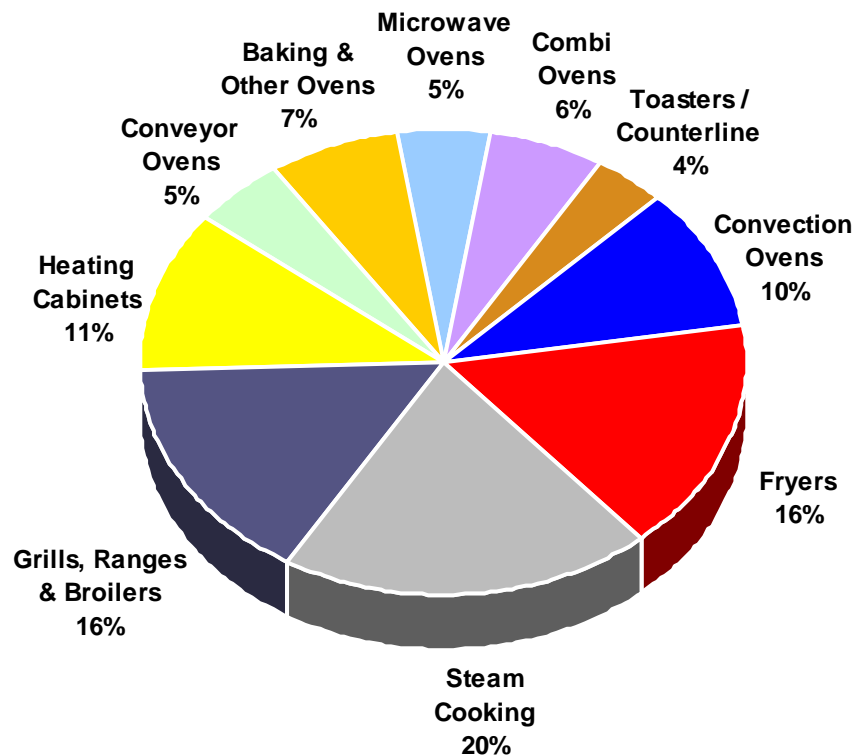
### Commercial Foodservice Equipment

The Commercial Foodservice Equipment Group serves all commercial kitchens. These include dine-in and carry-out restaurants of all types, institutions such as schools, hospitals, nursing homes and the military. Middleby brands can also be found in convenience stores and supermarkets. Cooking equipment developed by the Middleby brands includes fryers, conveyor ovens, food warmers steamers and pasta cookers.

# Commercial Foodservice Equipment Industry

We are focused on the hot-side of the foodservice equipment industry

## U.S. Hot-side Foodservice Equipment Market by Product <sup>(1)</sup>



- ◆ The hot-side of the commercial foodservice equipment market is >\$3 billion
  - Part of the broader \$10 billion domestic foodservice equipment market
- ◆ The industry has averaged GDP+ growth over time
- ◆ **Why are we focused on the hot-side?**
  - Most vital piece of equipment in the restaurant
  - Critical to success of any restaurant for quality and consistency of menu items
  - Equipment specification and purchasing decisions driven by chef / operator
  - Product pricing driven by differentiated technology

1. Source: North American Association of Food Equipment Manufacturers and management estimates.

# Leading Technologies

## Wow Oven



- Automated oven with energy management system

## Hydrovection Oven

KI AWARD



- Combination steam and convection in one cavity

## Visual Cooking



- Most energy efficient oven

## Solstice Fryer

KI AWARD



- Self cleaning burner

## Ultimate Range



- Non-clog burner and water proof controls  
[www.buildmyrange.com](http://www.buildmyrange.com)

## Ventless Hoods



- Used by the best steakhouses in the world

## Enduraheat

KI AWARD



- Utilizing induction to hold food for extended periods

## Rhapsody Oven

KI AWARD



- V-air technology cooks bread in less than 15 minutes

We focus on the development of innovative foodservice equipment

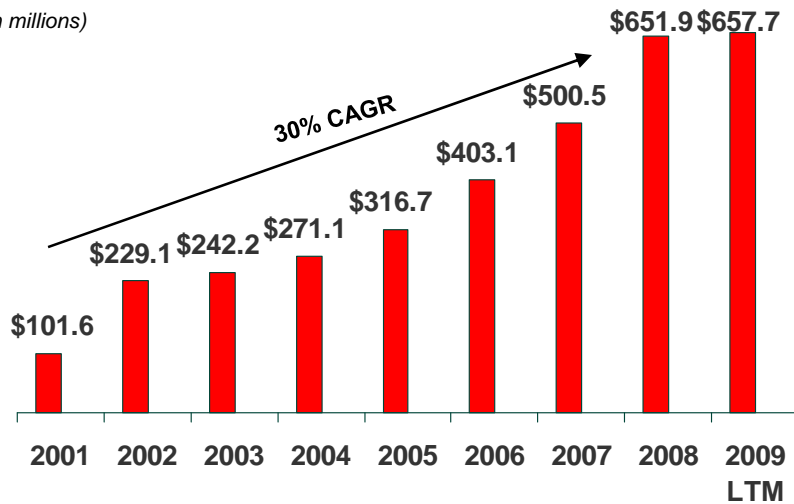


# Financial Performance



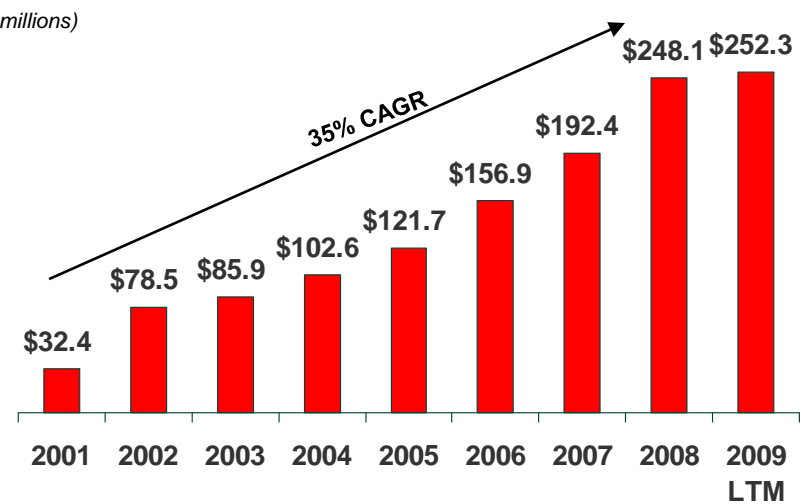
## Sales

(\$ in millions)



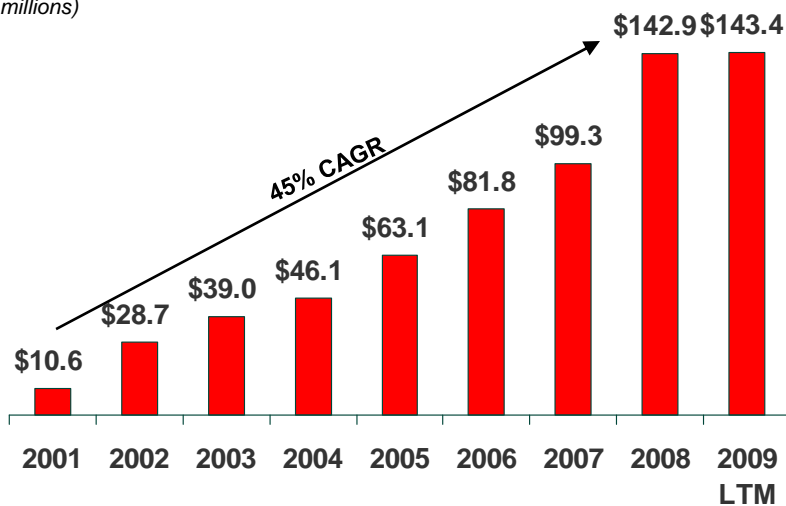
## Gross Profit

(\$ in millions)



## EBITDA

(\$ in millions)



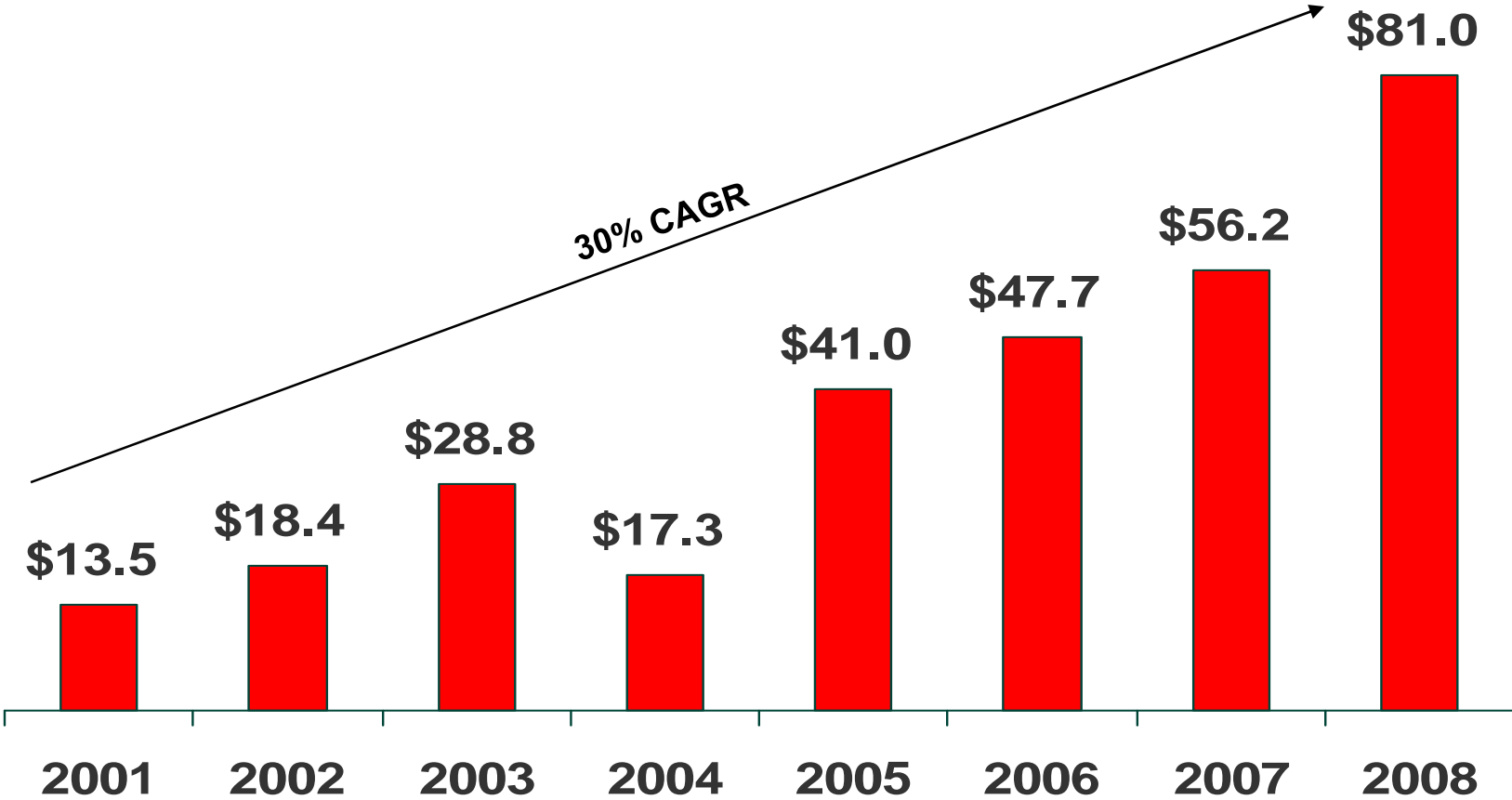
## EPS



# Free Cash Flow

(\$ in millions)

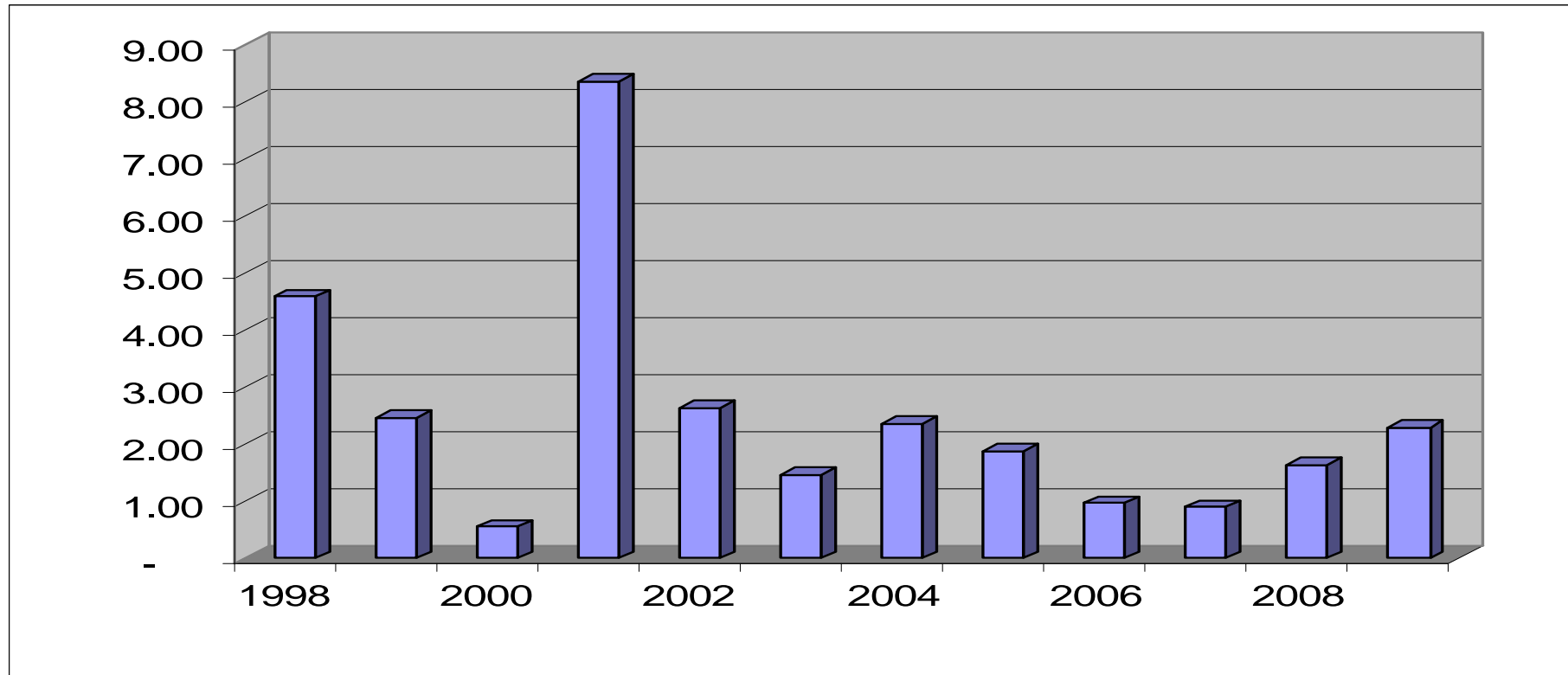
## Free Cash Flow<sup>1</sup>



Significant free cash flow generation

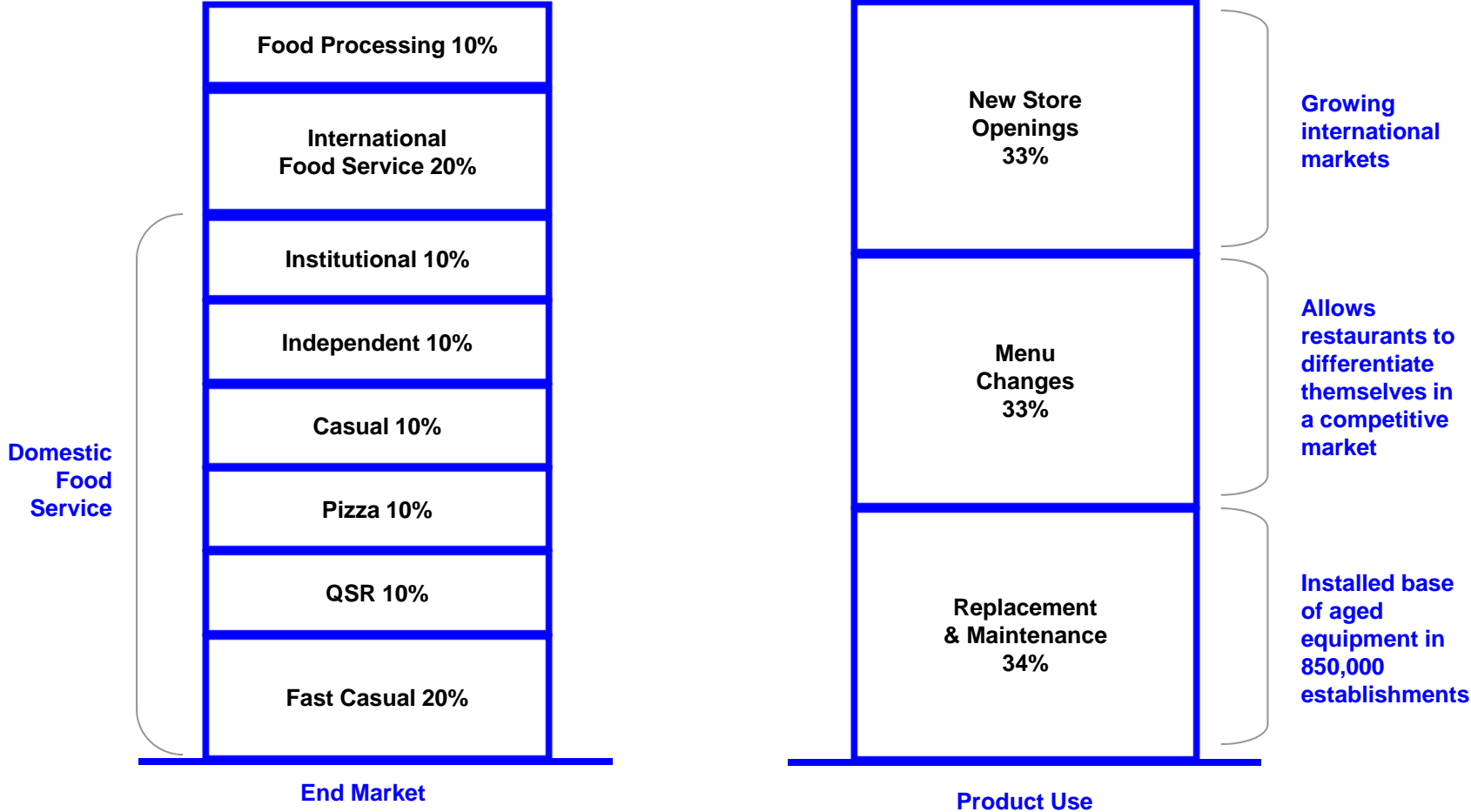
<sup>1</sup>Free Cash Flow = Operating Cash Flow - Capital Expenditures

# Historical Leverage Multiples



- ◆ \$497.5 million revolving credit facility
- ◆ Over \$100 million of remaining availability
- ◆ Maturity December 2012
- ◆ Covenants
  - 3.5x leverage
  - 1.25x fixed charge

# Diverse and Stable Revenue Base



**Stable, diversified revenue base with exposure to high growth end markets and limited exposure to new U.S. restaurant openings**

# Premier Customers



# Industry Leading Brands - 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



# Industry Leading Brands – Food Processing



- ◆ #1 in Sausages, Hot Dogs and Ham
- ◆ #1 in Chicken Preparation
- ◆ #2 in Bacon
- ◆ #2 in Burger Patties
- ◆ #2 in Meat Packaging



# Innovative New Products

We are committed to meeting changing customer needs

Customer Demand	Recent Innovations
<b>Speed</b>	<ul style="list-style-type: none"><li>■ Speed-cook ovens 10x standard cooking</li><li>■ High speed conveyors 30% reduction in cooking time</li></ul>
<b>Energy Savings</b>	<ul style="list-style-type: none"><li>■ New energy management system technology</li><li>■ High efficiency frying systems</li></ul>
<b>Automation</b>	<ul style="list-style-type: none"><li>■ Self cleaning ovens</li><li>■ Automatic filtration systems</li></ul>
<b>Safety</b>	<ul style="list-style-type: none"><li>■ Auto shut-off pilots in ranges</li><li>■ Waterproof controls</li><li>■ Scanning technology</li></ul>



- *Over 20 new 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*



# New Product Pipeline - Foodservice

## 2009 Introductions

- ◆ Turbochef I Series 
- ◆ Wow! 624 Mini Oven 
- ◆ Ultimate Range 
- ◆ LaXser Bone Scanner   
Your Best Value for Processing Solutions
- ◆ High Speed Conveyor Toaster   
A Star Manufacturing Company
- ◆ BCX Combi Oven 
- ◆ Rocket Fryer 

## 2008 Introductions

- ◆ Wow! 640 Green Oven 
- ◆ Hydrovection Oven 
- ◆ Temperature Controlled Griddle   
A Division of Star Mfg. Int'l, Inc.
- ◆ Ventless Hood  **WELLS**
- ◆ Enduraheat   
CARTER-HOFFMANN
- ◆ Visual Cooking Combi-Ovens  **HOUNO**
- ◆ Asian Cooking Series 

**Strong Pipeline of Innovation**

# Middleby Marshall WOW! Oven

- ◆ Fastest cook time in the the industry
- ◆ Least energy consumption, we guarantee cost savings
- ◆ Uses 30 to 80 percent energy than competitors
- ◆ Cool to the touch, leader in employee safety
- ◆ More than 2,500 sold, new models introduced in 2008
- ◆ Gas Food Equipment Network “Product of the Year” 2009. GFEN members are the major utility companies throughout the U.S.

**WOW!**  
**OVEN**™

The **GREEN** Oven



# TurboChef I Series

- ◆ Cooks >10x faster than traditional ovens
- ◆ Ventless cooking
- ◆ Small Footprint
- ◆ Reduced energy consumption
- ◆ Cook using metal sheet pans
- ◆ Downloadable internet menu selection



**Ventless, High Speed Cooking for any Application**

# Carter Hoffmann Enduraheat

- 2008 National Restaurant Association Innovation Award winner
- Heat retention system keeps the cart heated even when unplugged



## The **GREEN** Holding Cart

- Eliminates the use of Sterno/ canned fuel
- Eliminates waste, cost and fire hazard





## What is Hydrovection?

A multi-purpose, space saving appliance that offers variable, continuous humidification in the cooking chamber.

Two modes:

Hot Air and Hydro



**HYDRO**



**HOT AIR**

Standard full size convection oven footprint

Unique split door design--Silicon door gasket creates a seal, keeping hot air and moisture in

## Advantages

Product Quality (taste & appearance)

Product Yield (plate coverage)

Applications:

- A la carte
- Slow roasting
- Institutional
- Artisan-que

Up to 15% faster cook times

Up to 10-15% greater yields (proteins)



# Acquisition Strategy

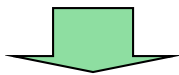
- **Acquire leading brands and technologies**
  - Established market positions
  - Differentiated products
  - Higher profit margin
  
- **Increase operating efficiency**
  - Eliminate unprofitable SKUs
  - Focus on core products
  - Streamline production and administrative processes
  
- **Realize synergies**
  - 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

## 2007 Acquisitions



\$100 m revenues

## 2008 Acquisitions



\$120 m revenues

## 2009 Acquisitions



\$100 m revenues

Acquisition Pipeline Remains Strong

# TurboChef Overview

## Overview

- ◆ TurboChef is a leading provider of equipment, technology and services focused on the high-speed preparation of food products
- ◆ Products include user-friendly speed cook ovens employing proprietary combinations of heating technologies to cook food products at speeds up to 12 times faster than conventional heating methods
- ◆ Customers include full and quick-service restaurants, hotels, stadiums, convenience stores and coffee shops

## Existing Commercial Ovens



## Select Customers



## New Commercial Ovens





# Overview of the Transaction

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## Price and Form of Consideration

- ◆ \$160 million purchase price
- ◆ \$115 million cash funded under revolving credit facility
- ◆ 1,540,000 common shares valued at \$45 million
- ◆ Approximate transaction costs and change in control payments of ~\$20 million

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## Net Operating Losses

- ◆ TurboChef has a net operating loss of ~\$120 million
- ◆ Cash flow benefit of approximately \$5 million per year

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## Earnings Impact

- ◆ Dilutive in 2009
- ◆ Accretive in 2010
- ◆ Includes approximately \$5 million of non-cash charges annually



# Turbochef Integration Opportunity

## Estimated Cost Savings

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### Corporate Reorganization

- ◆ Public company costs
- ◆ Redundancies with Middleby corporate office

◆ \$8 million

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### Residential Reorganization

- ◆ Reduction of significant marketing spending
- ◆ Minimize staffing and cost structure
- ◆ Synergies with Jade residential line

◆ \$15 million

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### Commercial Synergies

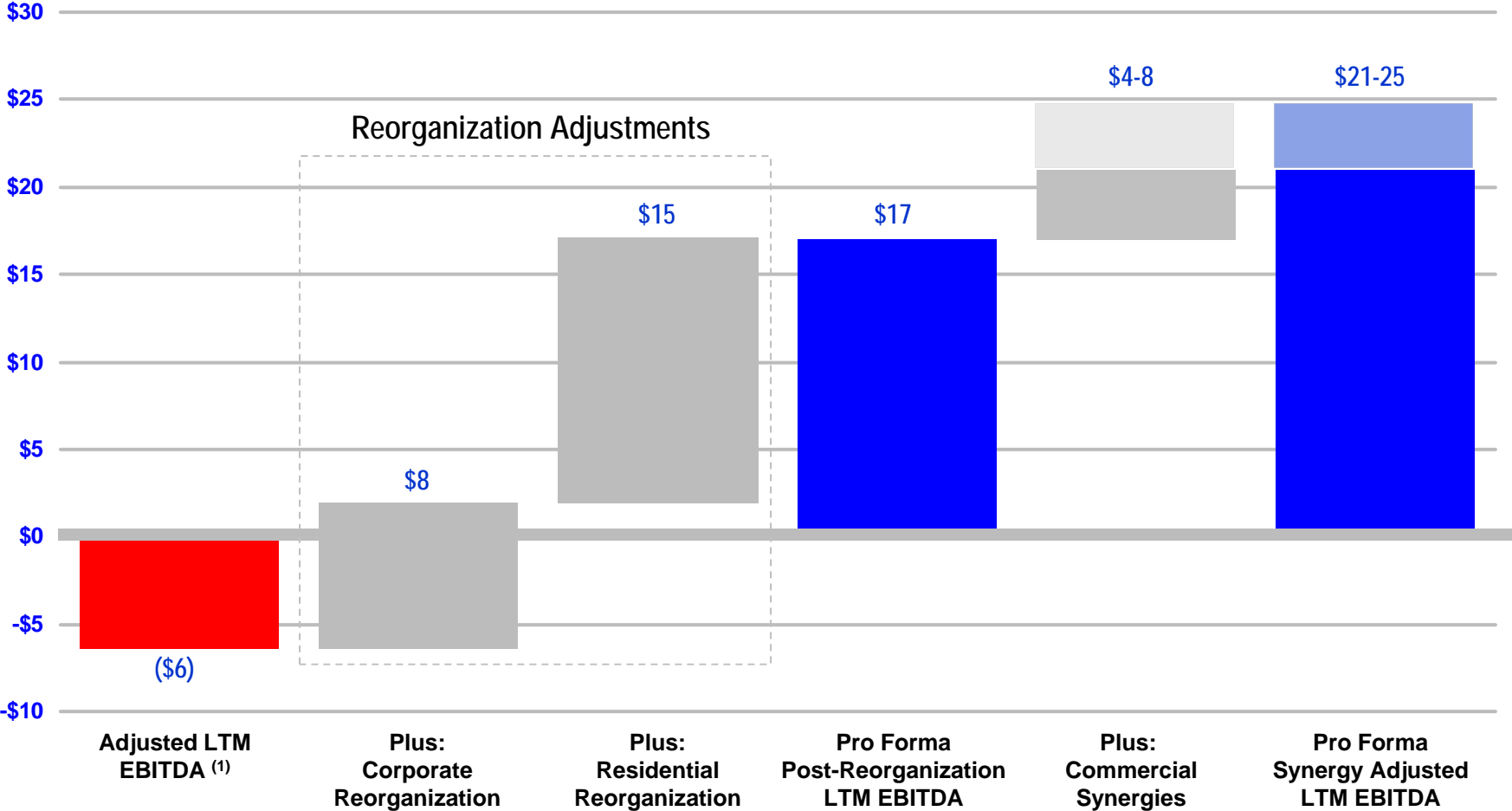
- ◆ Purchasing and material costs
- ◆ Manufacturing efficiencies
- ◆ Marketing and trade show costs
- ◆ International distribution consolidation
- ◆ Other cost synergies and reduction opportunities

◆ \$4-\$8 million

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# Plan for Operational Improvement

## 6/30/08 LTM Standalone Actual to 6/30/08 Pro Forma EBITDA



1. LTM 6/30/08 operating income / (loss) of (\$16.4) million + depreciation and amortization of \$4.6 million = LTM EBITDA of (\$11.8) million. LTM EBITDA plus \$5.4 million of non-recurring LTM expenses = Adjusted LTM EBITDA of (\$6.4) million.

## ◆ Acquisition Integration

- Integration of Turbochef, Cooktek, Anets
- Continued improvement of 2007 and 2008 acquisitions
  - Consolidation of counterline manufacturing
  - Consolidation of European manufacturing

## ◆ Cost Reduction

- Lower cost base to offset reduced demand
  - Plant consolidation \$10m+ annualized savings from 3 facilities
- Strategic supply chain initiatives
  - Leverage supply chain
  - Reduced steel costs
- Reduced sales distribution costs
  - Leverage strength of brands
  - Alignment of commission and rebate programs

## ◆ Investment Initiatives

- Continued debt reduction
- Capacity to pursue strategic tuck-in and opportunistic acquisitions

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