



# Q2 Earnings Update

August 12, 2021

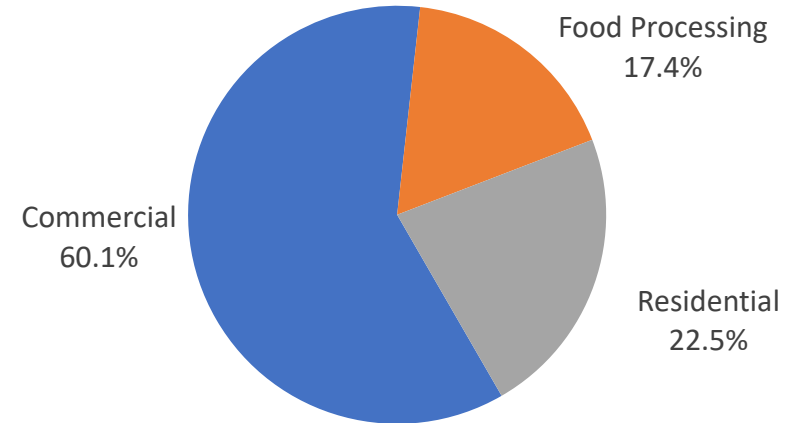
# Middleby Segment Summary



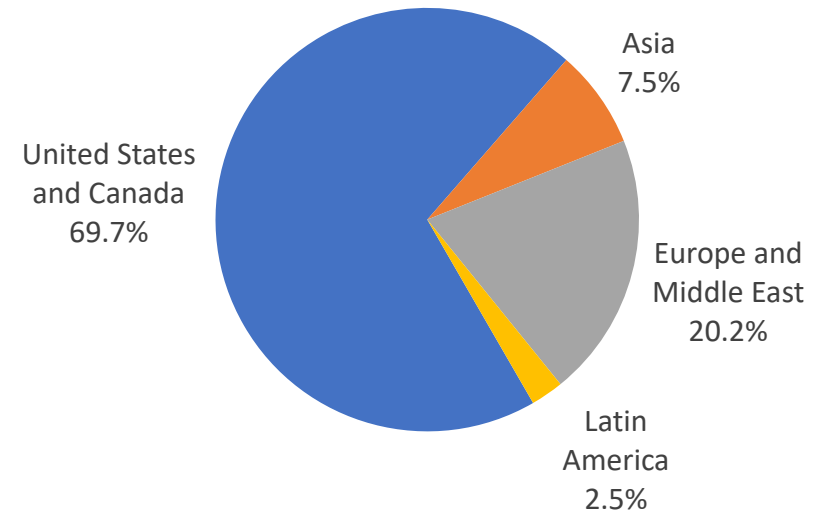
## THREE INDUSTRY-LEADING FOODSERVICE PLATFORMS

- 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



## Q2 2021 FINANCIAL RESULTS

	Q2 '21	Q2 '20	Change
Net Sales	\$808.8	\$472.0	71.4%
Gross Profit	303.7	153.1	98.4%
% of Sales	37.6%	32.4%	
Operating Income	136.7	39.1	249.6%
Net Earnings	120.6	21.2	468.9%
Adjusted EBITDA	186.2	74.4	150.3%
% of Sales	23.0%	15.8%	
LTM Bank EBITDA as defined in credit agreement	666.0	597.1	11.5%
Operating Cash Flow	112.7	77.6	45.2%

## RESULTS COMMENTARY

- Revenue increase of 64% organically as compared to prior year.
- Organic revenue growth at Commercial Foodservice 80%, Residential Kitchen 63% and Food Processing 25%.
- Strong organic adjusted EBITDA across all segments, with all having increases over 2019 and 2020 levels:
  - Commercial Foodservice 25.9%
  - Residential Kitchen 22.9%
  - Food Processing 23.1%
- Q2 Order rates for all segments reported growth over 2020 and 2019, resulting in record high backlog levels.
- Tax benefit from legislation changes of approximately \$19 million.

# Commercial Foodservice



## Q2 2021 FINANCIAL RESULTS

	Q2 '21	Q2 '20	Change
Revenues	508,778	267,500	90.2%
Adjusted EBITDA	131,347	47,864	174.4%
Adjusted EBITDA as % of Revenues	25.8%	17.9%	
Organic Adjusted EBITDA as % of Revenues	25.9%		

### Revenue and Growth

U.S. and Canada	359,026	83.3%
International	149,752	109.1%

## 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.
- Q2 backlog is up 130%+ from prior year end and 50%+ over Q1 '21.
- Order rates grew 160%+ in Q2 over prior year, 30%+ over Q2 '19 and 10%+ over Q1 '21.
- We are investing in automation and robotics solutions to address our customers' critical challenges from labor shortages.
- The Middleby Innovation Kitchen continues to receive rave reviews throughout the industry and serve as an invaluable tool for collaboration with our customers.

# Residential Kitchen



## Q2 2021 FINANCIAL RESULTS

	Q2 '21	Q2 '20	Change
Revenues	169,987	102,914	65.2%
Adjusted EBITDA	38,695	12,589	207.4%
Adjusted EBITDA as % of Revenues	22.8%	12.2%	
Organic Adjusted EBITDA as % of Revenues	22.9%		

### Revenue and Growth

U.S. and Canada	113,334	38.7%
International	56,653	167.4%

## RESULTS COMMENTARY

- Growth across all regions globally as compared to prior year.
- EBITDA improvements reflect higher sales volumes, benefits from facility consolidations and the sale of a non-core tile business in January 2021.
- Q2 backlog is up 90%+ from prior year end and 30%+ over Q1 '21.
- Order rates grew 110%+ in Q2 over prior year and 5%+ over Q1 '21.
- Dallas Residential showroom is now open for customers and industry partners to view our latest innovation in ultra-premium kitchen appliances and experience live cooking demonstrations.

# Food Processing



## Q2 2021 FINANCIAL RESULTS

	Q2 '21	Q2 '20	Change
Revenues	130,008	101,563	28.0%
Adjusted EBITDA	30,305	22,983	31.9%
Adjusted EBITDA as % of Revenues	23.3%	22.6%	
Organic Adjusted EBITDA as % of Revenues	23.1%		

### Revenue and Growth

U.S. and Canada	95,484	31.2%
International	34,524	19.9%

## RESULTS COMMENTARY

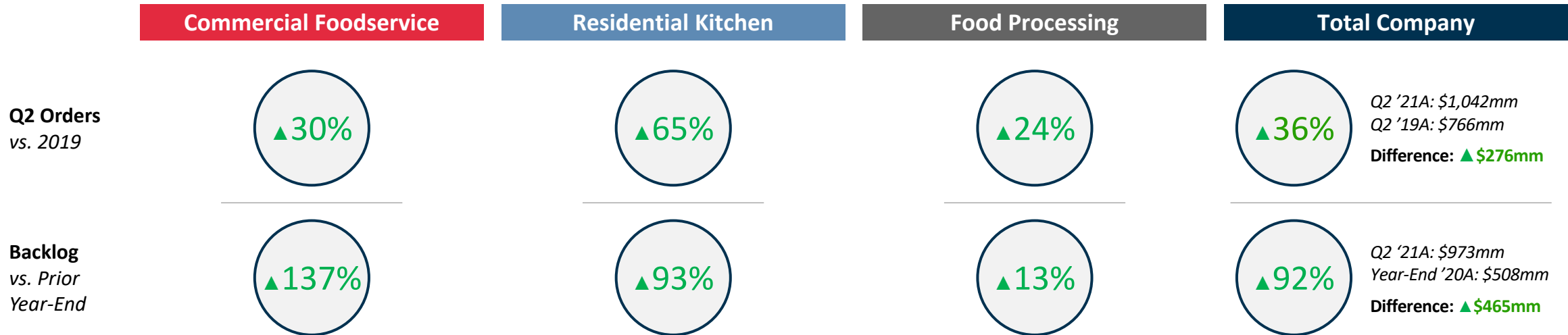
- Domestic revenue growth across bakery and protein product categories.
- International revenue growth primarily drive by protein.
- Q2 backlog is up 10%+ from prior year end, and is up 30%+ by end of July
- Order rates grew nearly 80% in Q2 over prior year and 30%+ over Q2 '19.
- Demand remains strong for our latest technologies and automated, full-line solutions in both the bakery and protein processing industries 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 Q2 '21 to Q2 '19
- Backlog levels have positioned all the segments for growth in the second half of 2021



Note: Order and backlog data refers to organic figures.

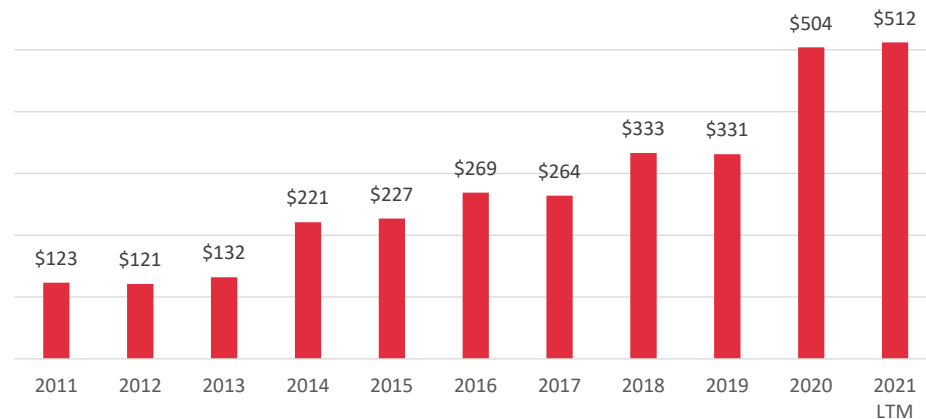
# Debt and Liquidity

## Q2 2021 LEVERAGE RATIO (IN \$000S)

Cash	\$309.3
Debt	\$1,818.9
Net Debt*	\$1,525.7
LTM EBITDA *	\$666.0
Total Leverage	2.3x
Covenant Limit	5.5x

\* As defined in the credit agreement

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



## LIQUIDITY COMMENTARY

- Q2 generated operating cash flow of \$112.7 million despite the following:
  - Increase in working capital of nearly \$33 million to support increased demand and to manage supply chain risks
  - Reduced Net Debt by approximately \$80 million in Q2 to \$1.5 billion
- Current borrowing capacity is approximately \$2.1 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

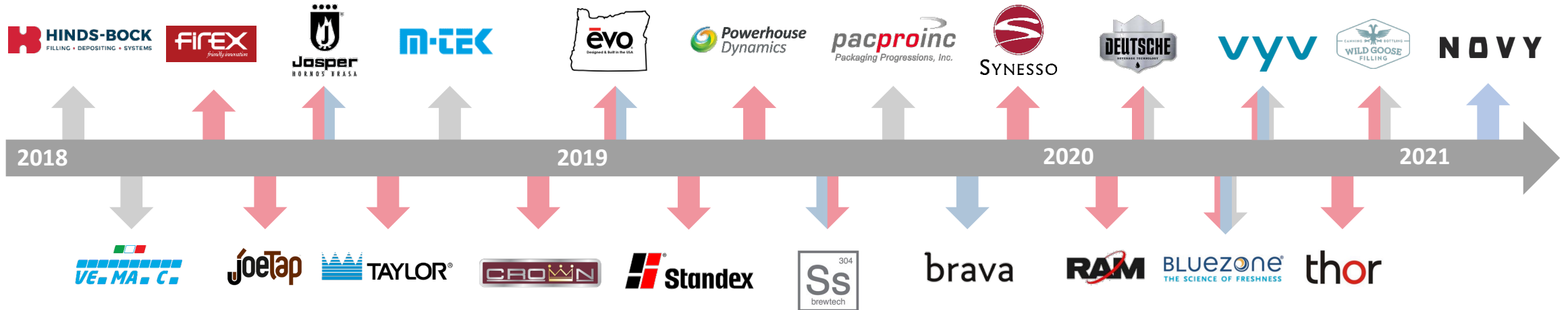
## RECENT M&A ACTIVITY

- 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 INVESTMENTS



↑ Commercial Foodservice  
 ↑ Residential Kitchen  
 ↑ Food Processing

# NOVY



[www.novy.com](http://www.novy.com)

## Novy Acquisition Highlights

- Highly complementary and synergistic with our current premium residential brand portfolio.
- Built-in appliance market is growing globally.
- Leading designer and manufacturer of premium ventilation hoods and cooktops in Benelux.
- Annual revenues of approximately \$90 million and 20%+ EBITDA margins.
- Ventilation products further expand our portfolio of ultra-premium residential appliances.
- Ability to utilize manufacturing capabilities across other brands and segments.
- Expansion opportunities in U.S. and U.K. markets leveraging Middleby Residential.
- Provide for accelerated product innovations incorporating advanced air purification and surface sanitization technologies.





## Industrial Rapid Cook and Pasteurization



### High-level Specifications

- ✓ Reduces process times between 45-90%
- ✓ Substantially improves yields 2.5-5% depending on food
- ✓ Improves process pasteurization log 5 efficacy after 3-min
- ✓ Discrete zonal controls – up to six independent processing controls to increase speed, texture, yield, and pasteurization

### Applications

- ✓ Bacon
- ✓ Petfood
- ✓ Meatballs/meatloaf/burgers
- ✓ Lasagna
- ✓ Fried Chicken & boneless chicken
- ✓ Snack food

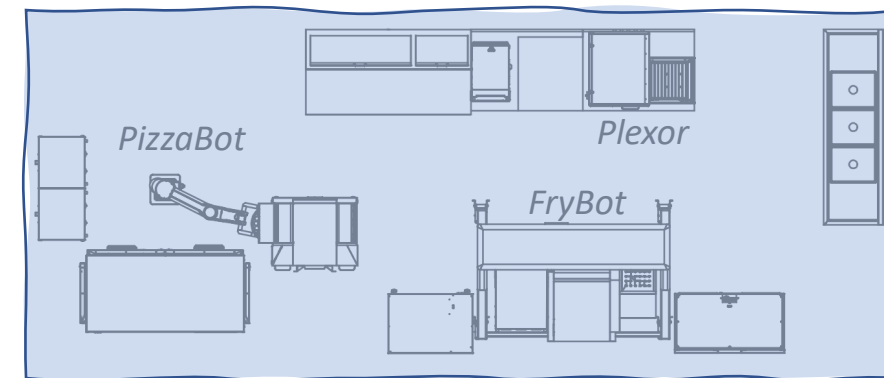


# L2F PizzaBot – Pizza prep and cooking automation



## High-level Specifications

- ✓ Fully automate pizza prep – sauce, cheese, and top
- ✓ Can be integrated with collaborative robot to full automated pizza
- ✓ Produces prepped pizza in 55 seconds
- ✓ 100% Turn-key from Middleby



*Middleby Automated Ghost Kitchen #attheMIK*



# VentCore™ – High-Efficiency Ventless System with integral Nieco FH94E Broiler For High-Volume Protein Cooking



## High-Level Specification

- ✓ Scalable next-generation ventless technology for Middleby equipment.
- ✓ Designed to work with high-temperature cooking process such as the Nieco and/or CTX platforms.
- ✓ Reduces the dependence on consumables for operation.
- ✓ Fully integrated Ansul fire suppression.
- ✓ Patent-Pending and UL710B Standard compliant.

