



June, 2018

# FORWARD LOOKING STATEMENTS

Statements made in this presentation or otherwise attributable to the company regarding the company's business which are not historical fact are forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The company cautions investors that such statements are estimates of future performance and are highly dependent upon a variety of important factors that could cause actual results to differ materially from such statements. Such factors include, but are not limited to variability in financing costs; quarterly variations in operating results; dependence on key customers; international exposure; foreign exchange and political risks affecting international sales; changing market conditions; the impact of competitive products and pricing; the timely development and market acceptance of the company's products; the availability and cost of raw materials; and other risks detailed herein and from time-to-time in the company's SEC filings.

# Industry Leading Platforms

## Commercial Foodservice

- 64% of Revenues
- 28% EBITDA Margin
- \$8+ Billion market opportunity
- 30+ Industry Leading Brands

## Premium Residential

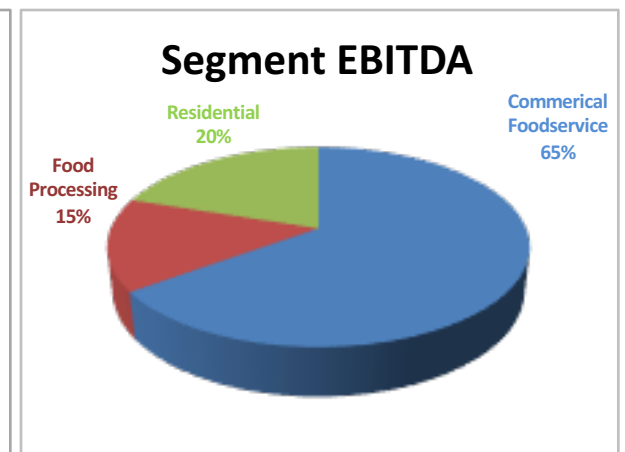
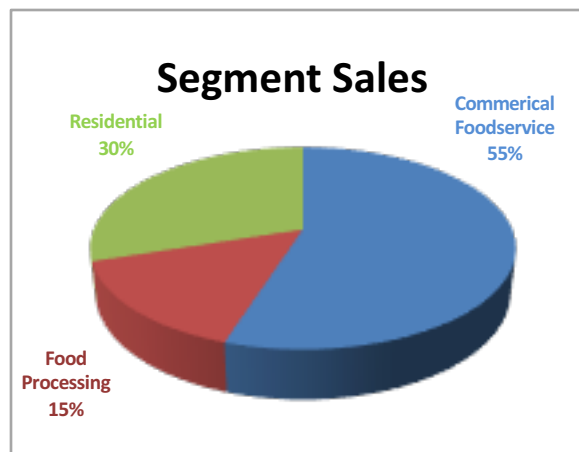
- 23% Revenues
- 17% EBITDA Margin
- \$3+ billion market opportunity
- 12+ Industry Leading Brands

## Food Processing

- 13% Revenues
- 27% EBITDA Margin
- \$5+ billion market opportunity
- 15+ Industry Leading Brands

## Three Synergistic Platforms

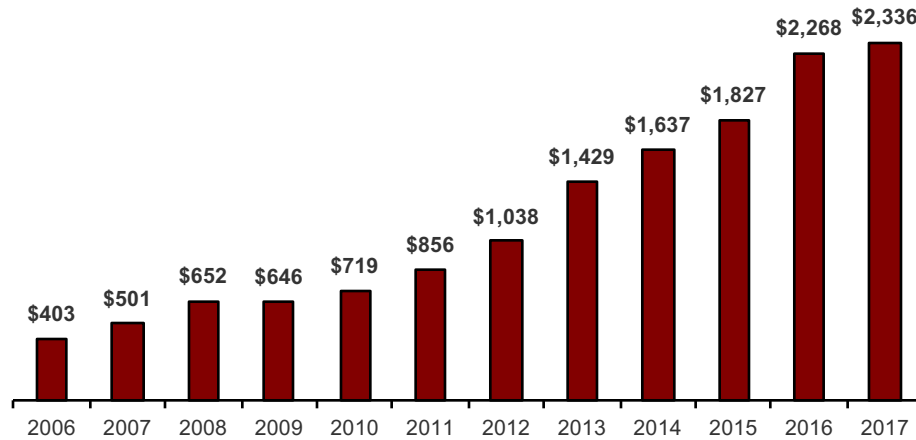
- Industry Leading Brands
- Technology and Innovation Leaders
- Cooking and Warming Experts
- Operational Synergies
- Cash Flow and Profitability



# Historical Financial Performance

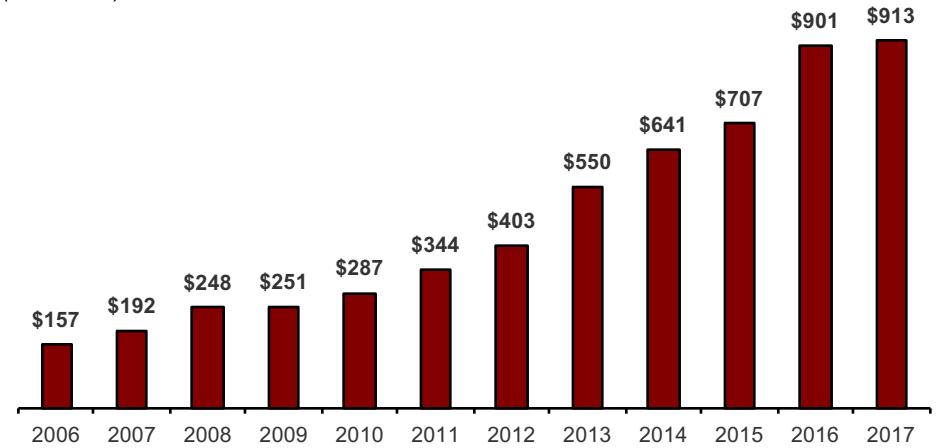
## Sales

(\$ in millions)



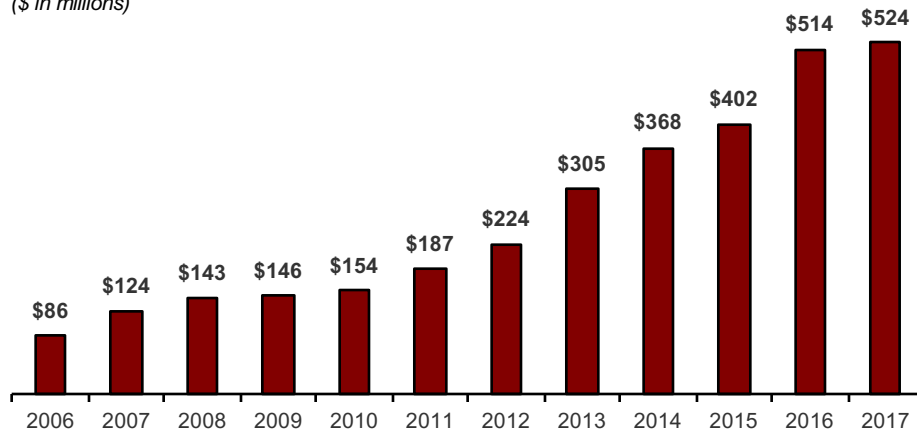
## Gross Profit

(\$ in millions)

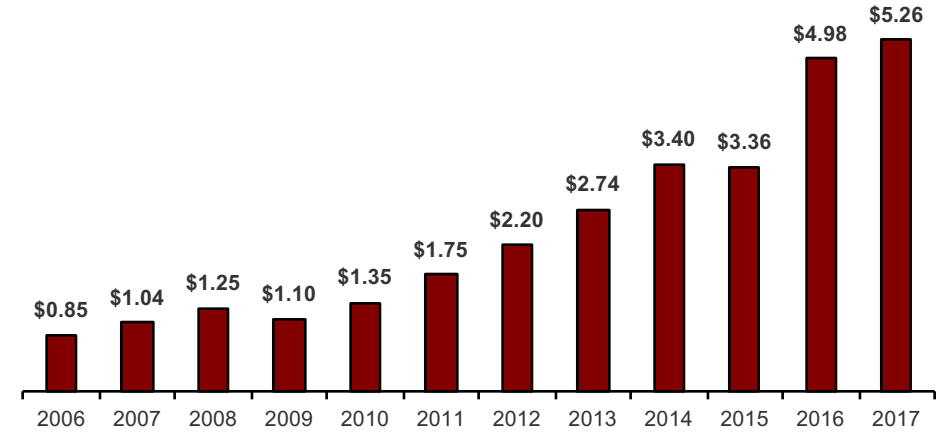


## EBITDA

(\$ in millions)



## EPS



**Consistent Growth in Sales and Profits**

(1) Adjusted EBITDA

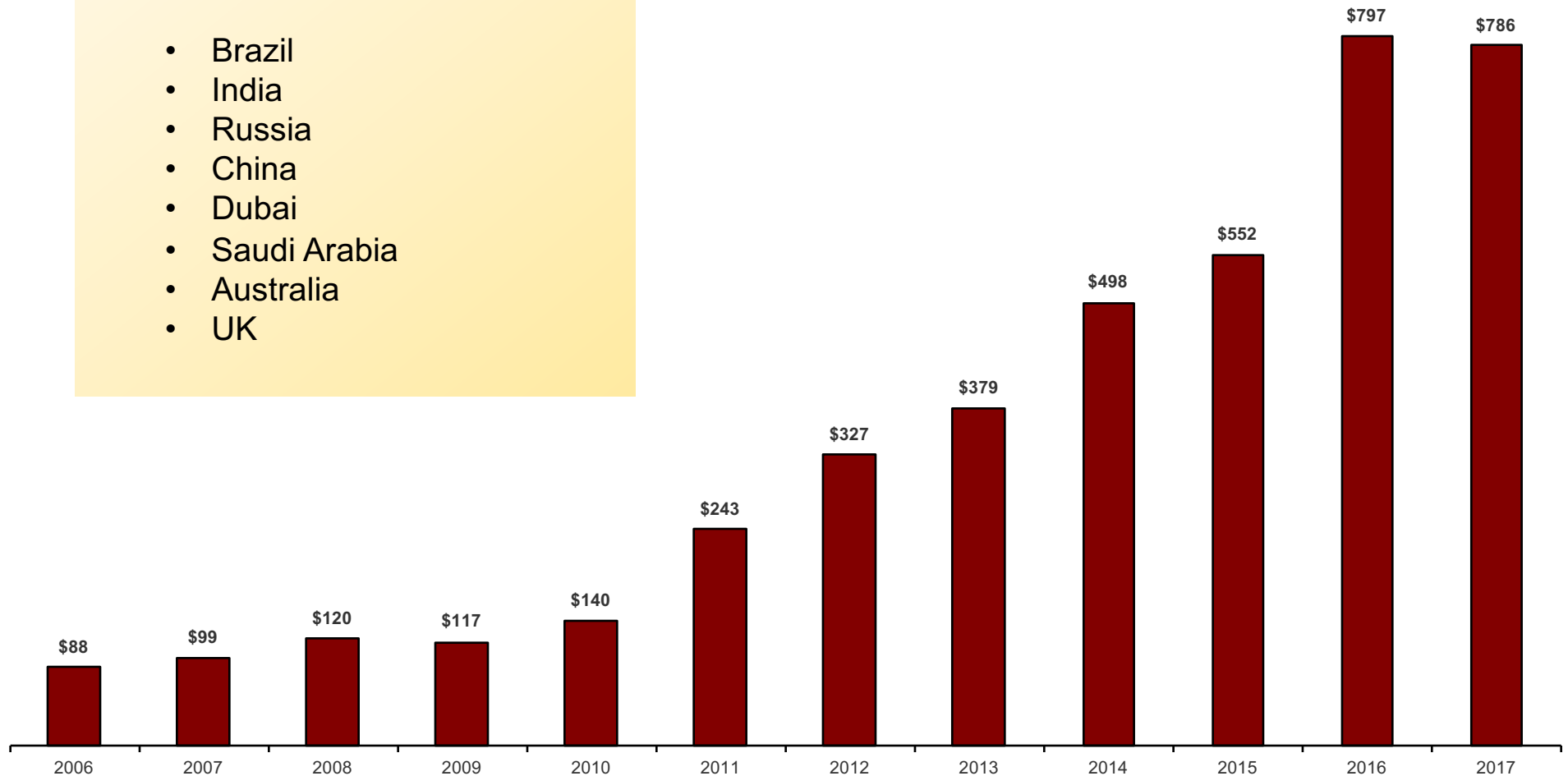


# International Revenue Growth

(\$ in millions)

## Recent Market Investments:

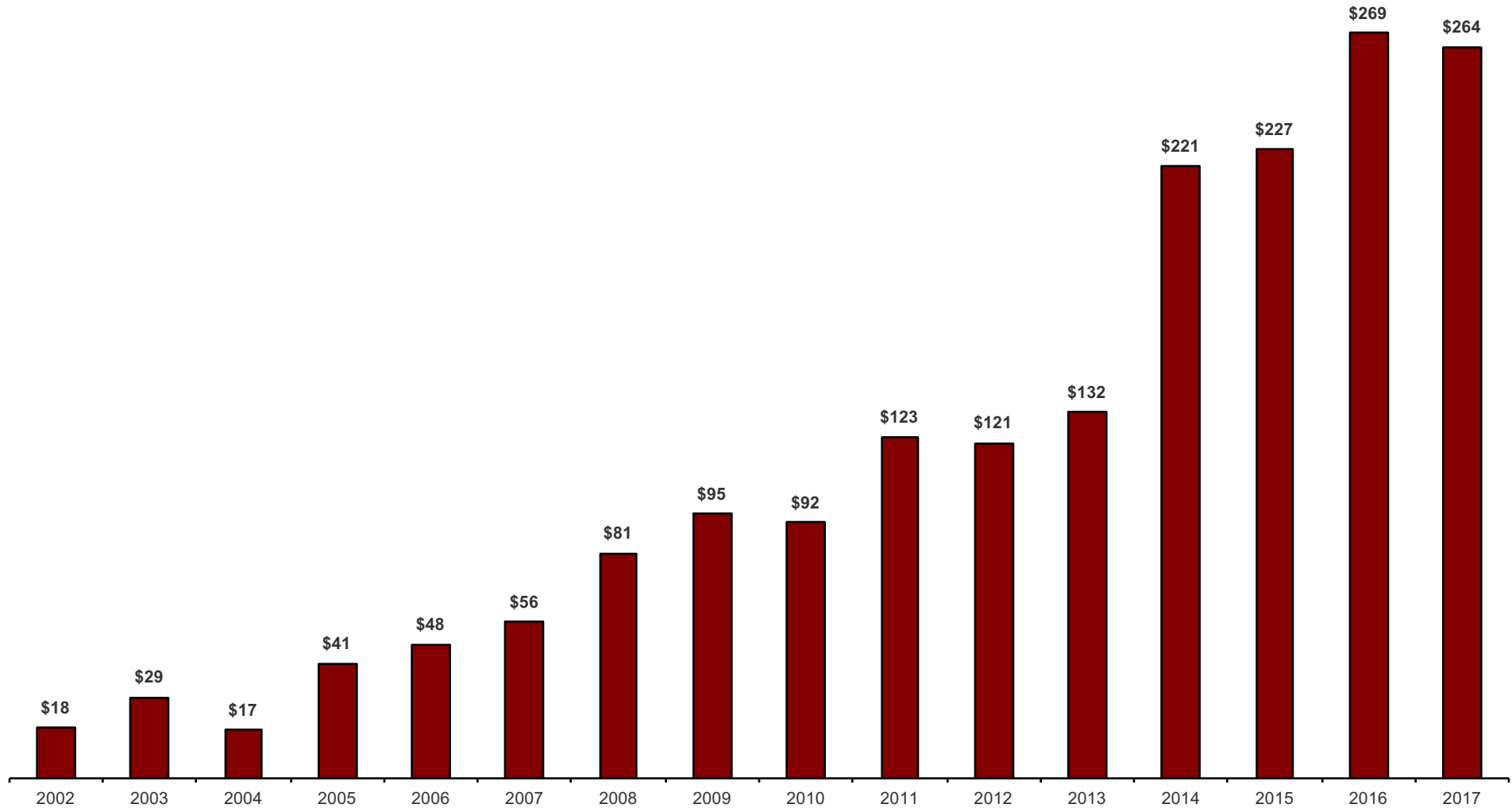
- Brazil
- India
- Russia
- China
- Dubai
- Saudi Arabia
- Australia
- UK



**Continuing growth in international revenues**

# Free Cash Flow (1)

(\$ in millions)

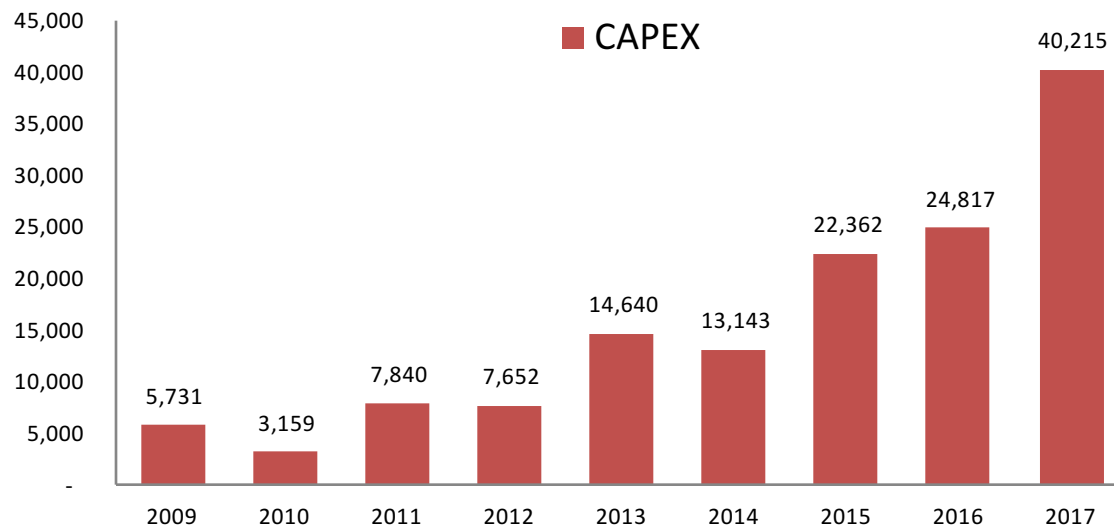
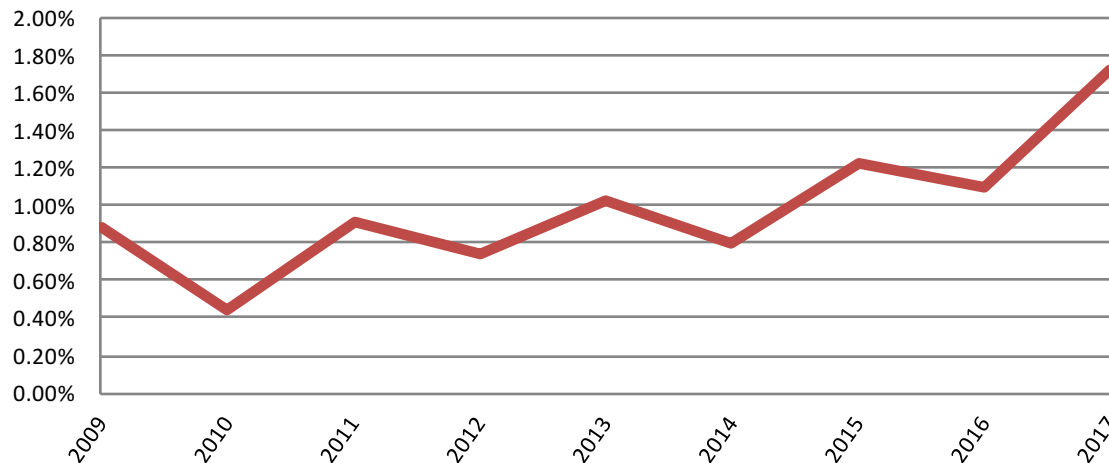


**Consistent Growth in Cash Flow**

(1) Free Cash Flow = Operating Cash Flow - Capital Expenditures

# Consistent Capex Spending

**CAPEX % to Sales**

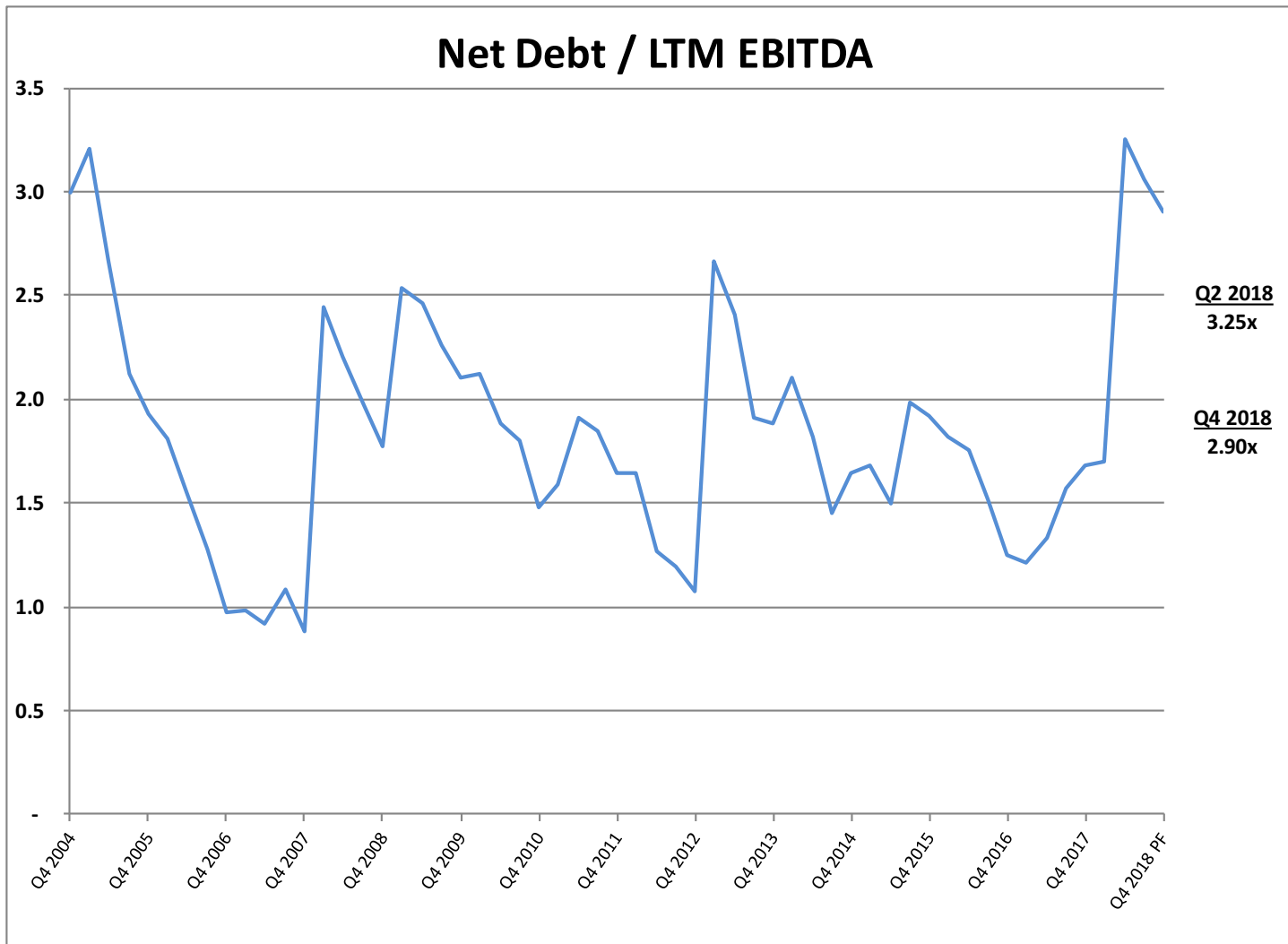


**CAPEX:**

- Disciplined spending
- Consistent at < 1.5% of sales
- Significant investments at Viking
  - Refrigeration
  - Tooling
- Primary uses include:
  - Fabrication equipment
  - Tooling
  - Facility Expansion
- Efficiency gains and margin expansion through
  - automation
  - Insourcing
- Significant ability to increase throughput with limited investment

**Businesses Require Minimal Capex Spending**

# Balance Sheet Leverage

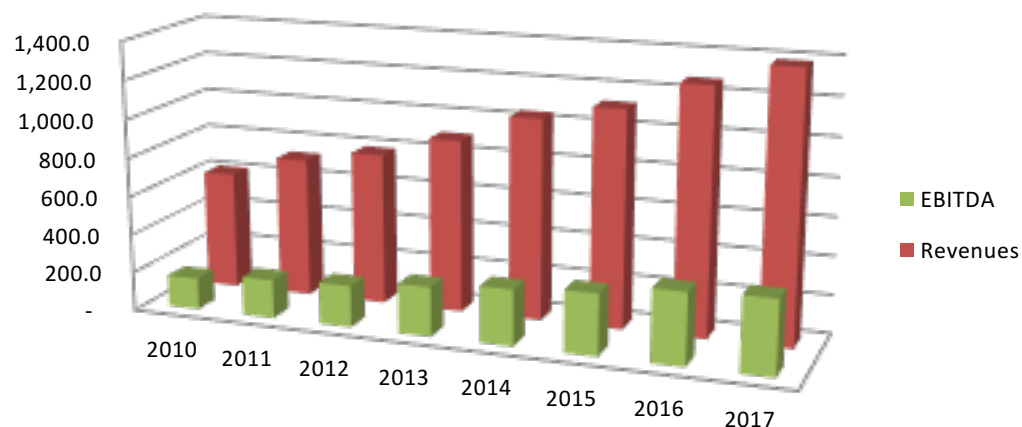


- Prudent financial policy
- Temporary increases in leverage followed by disciplined approach to reduce leverage
- Proforma Leverage including recent Taylor acquisition

**Low Leverage Levels Despite Significant Acquisition History**

# Commercial Foodservice

## Commercial Foodservice



### Commercial Foodservice Comments:

- Consistent growth organic and through acquisition:
  - Emerging Markets
  - Restaurant Chains
  - New Products
- EBITDA Margin expansion to 30%+:
  - Acquisition integration
  - Platform synergies
  - Product Innovation
  - Strategic Sourcing
  - Design Engineering

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Revenues</b>	611.6	723.3	786.4	895.5	1,041.2	1,121.0	1,268.3	1,383.2
<b>EBITDA</b>	162.8	199.3	214.6	254.7	289.4	316.0	371.2	384.8
<b>EBITDA %</b>	26.6%	27.6%	27.3%	28.4%	27.8%	28.2%	29.3%	27.8%

**Consistent Growth - Organic and through Acquisition**

# Industry Leading Brands – Foodservice



**INDUC**

#1 in Pizza Chains  
 #1 in Convenience Stores  
 #1 in Fast Casual  
 #1 in Deli Sandwich Shops  
 #1 in Steakhouses and Seafood  
 #1 in Chicken Outlets  
 #1 in Pan-Asian Cuisine  
 #1 in Casual Dining  
 #2 in QSR



SVEBA DAHLEN



# Premier Customers - Foodservice



- ✓ Blue-chip customer base
- ✓ Long standing relationships
- ✓ Limited customer concentration
- ✓ Large installed base
- ✓ Serve all food segments



# New Products, Commercial Foodservice

- Ventless Houdini Combi-Oven 
- Nieco Broilvection™ technology 
- SOS Oil Sensor, Reduced Oil Frying 
- Advanced Blast Chilling and Freezing 
- Follett Horizon Ice Maker, 2,000 lbs per day 
- Artisan Oven/Proofer NU-VU 
- Concordia Ascent Speed Coffee Technology 
- JoeTap Nitro Brew  Nitro Coffee On Demand
- L2F SkyFlo as a Service 
- Double Batch Oven, Eco stackable/energy efficient 
- Spire, Mustang and Paladin Beverage Innovation 
- Carter Hoffmann Garden Chef 



**New Products Represent 25% of Sales Over 3 Years**



# Drivers for Commercial Foodservice

---

- **Market Growth**
  - Emerging chains
  - International market growth
  - Convenience stores/supermarkets/non-traditional
- **Equipment Upgrade and Operational Initiatives**
  - Ventless and space limitations
  - Speed/Energy
  - Automation/Labor management
  - Food Safety
- **Menu Expansion and Changes**
  - Delivery
  - Menu Flexibility
  - Breakfast
  - Beverage Offerings

**Middleby well positioned to benefit from growth drivers**

# Restaurant Equipment Reinvestment

- Large Installed Base
  - 250,000+ units at top chains
- Upgrading to New Technology
- Focus on Automation and Efficiency
- New Menu Initiatives
- Further Account Penetration Opportunity
- Strong Pipeline of Opportunities



Expected Increase of Equipment Spend with Restaurant Chain Customers

## Recent Strategic Initiatives

---

- Beverage Platform
- Salesforce Consolidation (Independent Reps)
- Qualserv Acquisition
- Taylor Acquisition

# Middleby Beverage Solutions – New Platform

## Innovative Solutions

- Automated Coffee and Espresso
- Soda and Tea Dispense
- Blending and Smoothies
- Shakes and Deserts
- Soft Serve
- Ice and Water Dispense
- Liquor and Bar



JOETAP™ JT-1-2  
DIRECT DRAW / MOBILE



JOETAP™ BARISTA  
COUNTER TOP



JOETAP™ CAFÉ  
COUNTER TOP



JOETAP™ AMERICANO  
DIRECT DRAW / MOBILE



Middleby is a New Player in \$5+ Billion Beverage and Ice Category

# Salesforce Consolidation Initiative

NOW

Middleby Sales Representatives



- ❖ Reps are selling 100% Middleby products
- ❖ Leveraging brand portfolio
- ❖ Best reps working with Middleby brands
- ❖ Simplifies and enhances end-user experience
- ❖ Greater Alignment and Focus
- ❖ Increased Coverage
- ❖ Greater Investment in Middleby Sales:
  - ❖ Chefs
  - ❖ Showrooms
  - ❖ Training

Well Positioned for Future Growth

# Salesforce Consolidation Status

---

- Consolidation initiative is complete in Q1 2018
- Training continues throughout 2018
- Second half disruption minimized - while benefits increase
- Beneficial to revenue growth in 2019 and Long-Term

**Initiative Complete with Lessening Disruption**

# QualServ Acquisition and Strategy

---



- Manufacturer of Fabrication and Store Design
- Incorporate Middleby Preparation and Holding Technologies
- Unique Installation Capabilities
- Focus on Major Restaurant Chain Customers and Key Dealer Partners
- QualServ is NOT a dealer – does not compete with channel partners

**Unique Manufacturing Capability to Complement Equipment Offering**

# Taylor Business Overview

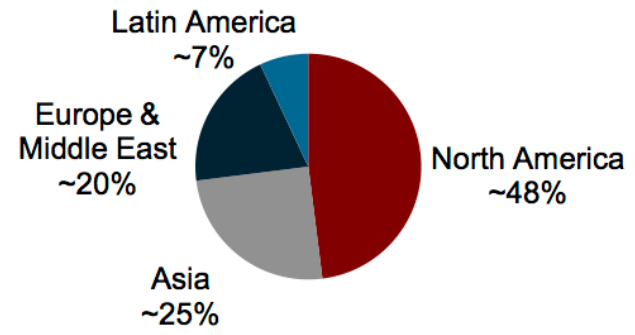
**Leading Provider of Soft Serve Ice Cream Freezers, Frozen Drink Machines and Commercial Grills**

- World leader in beverage solutions, soft serve and ice cream dispensing equipment, frozen drink machines and automated double-sided grills
- Customers include quick serve and casual dining restaurants, convenience stores, retail, specialty and entertainment / leisure industries
- Primary operations in Rockton, IL and Shanghai, China
- Extensive worldwide distributor network includes 6,500+ factory trained service professionals that provide installation and maintenance support for all products
- ~\$315 million of revenue and ~\$65 million of Adj. EBITDA in 2017
- Approximately ~25% revenues from recurring parts and services business

**Select Customers**



**Sales by Region**





# Taylor Product Overview

## Leading Product Portfolio

### Soft Serve, Frozen Yogurt & Shakes

- Single flavor, multi-flavor, combination, and heat treatment freezers
- Innovative models include touch screen or electronic controls with indicator lights
- Advanced models with daily heating and cooling cycles



### Smoothies, Frozen Beverages & Blending

- Multi-flavor machines dispense two-to-four individual flavors with consistent quality
- Frozen carbonated beverage machines are infused with carbonated air and available in 2, 3, and 4-barrel models



### Double-Sided Grills

- New product line of electric and gas/electric platen grills
- Revolutionary two-sided grilling cooks a frozen patty two-thirds faster than traditional flat grills
- Programmable cook times, pre-set temperatures and consistent product pressure



### Parts and Service

- Replacement parts and support services for all Taylor machines available at local distributors
- Over 6,500 factory trained service personnel



# Strategic Rationale and Industrial Logic

## Compelling Strategic Rationale

### 1 Global Industry Leading Brand

- Elite brand recognized globally and across foodservice segments
- Long-standing relationships with blue-chip customers
- Strong international presence with >50% revenues internationally
- Significant addition and enhancement to Middleby portfolio

### 2 Complementary Market Leading Product Categories and Innovations

- Industry leading positions in beverage, frozen dessert and automated double-sided grilling
- Significantly enhances Middleby's platform in growing beverage category
- Broadens Middleby's cooking platform with complementary automated grill technology
- Pipeline of new and innovative products

### 3 Customer Opportunities

- Taylor opportunities with existing Middleby customers
- Broadens product offerings and opportunities with shared existing customers
- Further enhances positions across foodservice market segments
- Organic growth opportunities through technology synergies and acceleration of product introductions

### 4 Value Creation through Margin Improvement and Synergy Potential

- Long term opportunity to expand EBITDA margins to >30%
- Leverage Middleby core operational and commercial capabilities and expertise in foodservice
- Revenue synergy opportunities
- Accretive to EPS within first year post acquisition

### 5 Enhances Middleby Overall Leadership Position in Commercial Foodservice Industry

- Brand leadership
- Innovation and technology leadership
- Leading positions in attractive product categories

# Transaction Financial Considerations

## Profitability

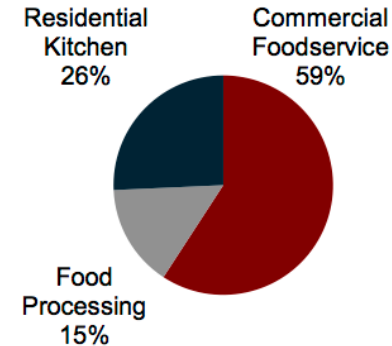
- ~\$65m EBITDA in 2017
- Targeted synergies in excess of \$15 million
- Long term plan to increase EBITDA margin to >30%
- Expected to be EPS accretive within first year post acquisition

## Other Financial Considerations

- **Purchase Price: \$1.0bn**
  - 13.1x 2017A EBITDA (w/338(h)10 benefit)<sup>(2)</sup>
  - 10.6x 2017A EBITDA (w/ synergies)<sup>(3)</sup>
- Efficient use of Middleby balance sheet
  - Financed under existing revolving credit facility
  - Financing cost: LIBOR + 1.625%
  - Post transaction leverage expected to be below 3.0x by year-end 2018
- Tax step up election (338(h)10):
  - NPV of ~\$150m

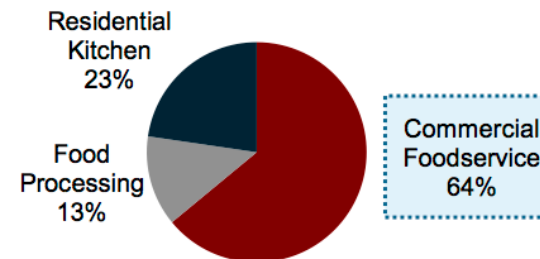
### Strengthens MIDD Commercial Foodservice Segment

#### Middleby Standalone



**\$2.3 billion**

#### Post Acquisition



**\$2.7 billion<sup>(1)</sup>**

1. 2017A PF revenue.

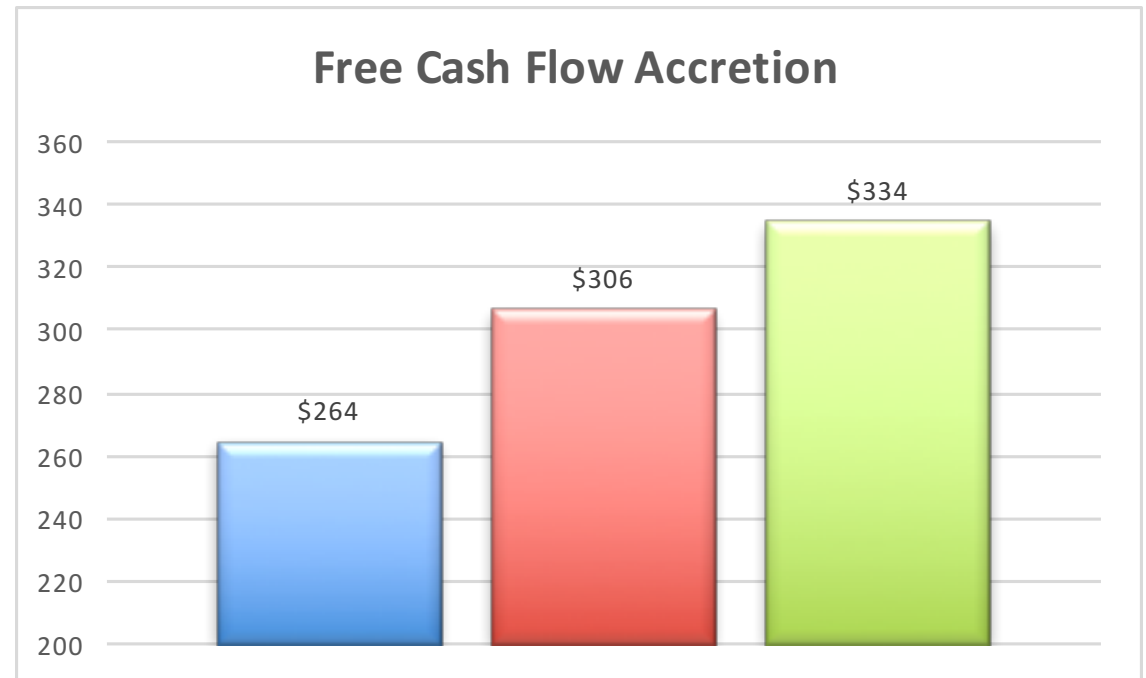
2. Represents purchase multiple post tax step up election benefit (NPV of ~\$150m) deducted from purchase price.

3. Represents purchase multiple post tax step up election benefit and run-rate synergies of ~\$15m.

# Cash Flow Accretion

## Commercial Foodservice Categories:

- Immediately Accretive to Cash Flow
- Estimated 16% growth or \$40 million of annual free cash flow (post integration)
- Estimated 27% increase of \$70 million of annual free cash flow on unlevered basis
- Additional opportunities through revenue growth and margin expansion



**Taylor Immediate Favorable Impact to Cash Flow**

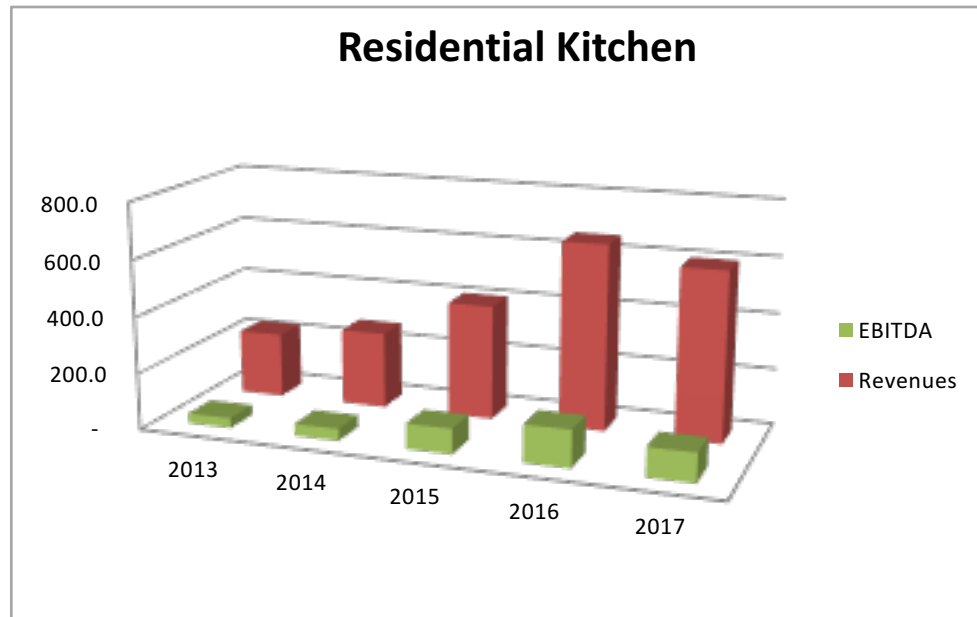
# Commercial Foodservice Outlook

---

- Organic top line growth return to GDP+ mid-single digits
- EBITDA Margin expansion to 30%+ post acquisition integration
- Continued long-term growth through pipeline strategic acquisitions

**Continued Growth of Premier Commercial Foodservice Platform**

# Residential Kitchen Equipment



## Residential Comments

- Organic Revenue Growth:
  - New Product Innovation
  - Distribution Investments
- Margin expansion continued:
  - Acquisition integration
  - Leverage Distribution
  - Platform synergies
  - Product Innovation
- Currency and Viking Recall Impact

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Revenues</b>	232.0	273.0	408.0	658.7	600.8
<b>EBITDA</b>	35.0	42.0	55.3	104.9	101.7
<b>EBITDA %</b>	15.1%	15.4%	13.5%	15.9%	17.0%

**Early Stage Platform With Significant Growth Opportunities**

# Residential Kitchen Equipment Group

---



- Leading position in Premium Appliances
- Ability to infuse commercial technology
- USA distribution network established
- Significant opportunity to leverage brand portfolio
- Continued Margin Opportunity through Acquisition Integration Initiatives

**Unique Portfolio of Industry Leading Premium Appliances**

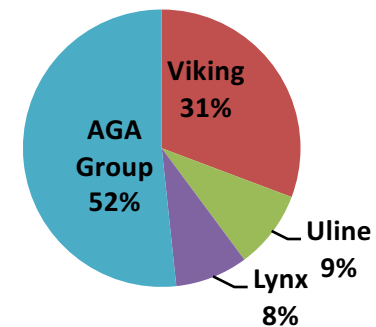
# Residential Kitchen Platform Development

---

## Acquisition History

- Viking - Jan 2013
- Viking Distribution - 2013 to 2016
- ULine - December 2014
- Aga Rangemaster - September 2015
- Lynx – December 2015

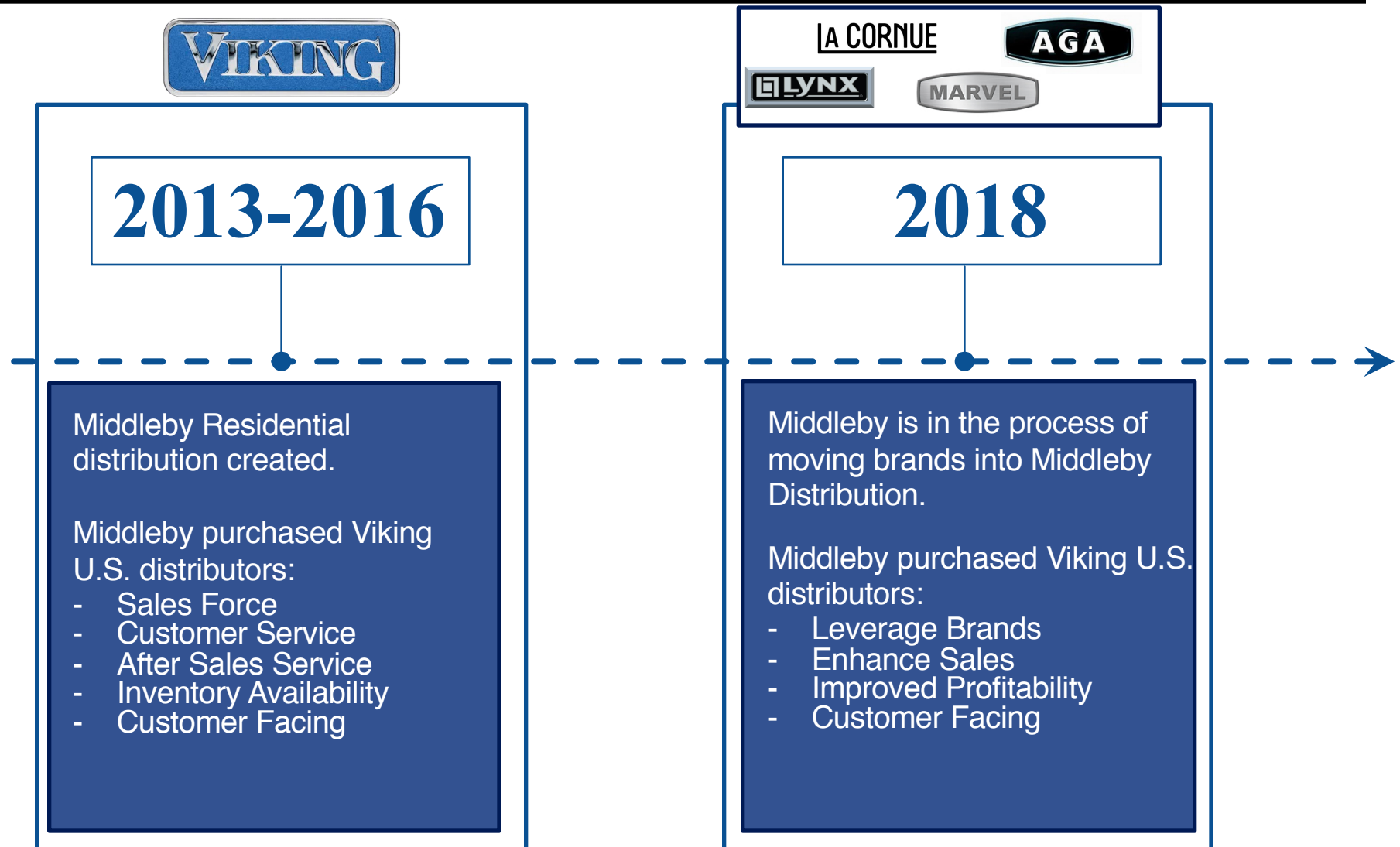
## Residential Revenues



Leading Residential Platform Established Rapidly in Early Stage Development



# Residential Distribution



**Development of Unique Capability to Enhance Profitable Growth**

# Residential Distribution



**GOAL**



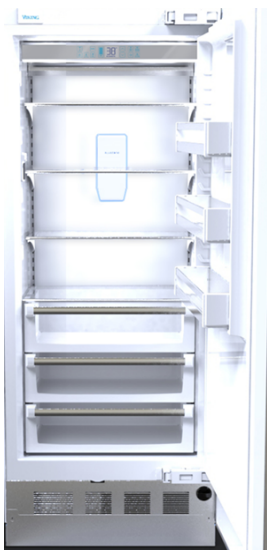
**Development of Unique Capability to Enhance Profitable Growth**

# Viking New Product and Sales



## Award Winning Product Launches

- 7-Series Range
- Tuscany
- Virtuoso Line
- Built-in Refrigeration
- Turbochef Oven
- Outdoor Grill
- Induction Cooktops
- Incogneto
- French Door Oven
- Garden Chef



**Everything is NEW!!! Accelerating Viking Sales**





# Middleby Residential Showroom – Merchandise Mart

---





# Middleby Residential Showroom – Merchandise Mart

---







A vignette showcasing one of the new Viking Range colors



Desto Roy, Therese Rowley and Dorri McWhorter

### HOME ON THE RANGE

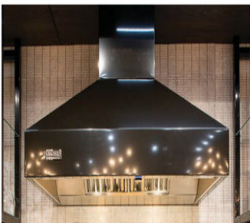
**THE PARTY** To fete the launch of Middleby Residential's brand-new showroom at the Merchandise Mart, guests toasted the transformed space while Creative Director Jaime Laurita led personalized tours.

**THE SCENE** Partygoers like Studio Gild Design principals Jennie Bishop and Melissa Benham were able to peruse cutting-edge technology from brands such as Viking Range, arranged in Chicagocentric vignettes.

**THE PERKS** To demonstrate the importance of the home kitchen, Laurita (who is also a celebrity chef) went to work in the space, whipping up some of his signature seafood risotto—to share, of course. —*Jaclyn Jermy*



Stephanie and Tyler Quallo



Jaime Laurita and Rochelle Trotter



Jaime Laurita designed the showroom's vignettes with his favorite Mart vendors, such as Artistic Tile.



Rich Lane, Kira Navak and SuzAnn Kletzien

PHOTOS BY MARCINA CYMBLER

## MIDDLEBY RESIDENTIAL SHOWROOM

Chef and designer to the stars — and brother of “Real Housewives of New Jersey’s” Caroline and Dina Manzo — **Jaime Laurita** put his creativity to work in the Mart’s newest outpost, a gorgeous space showcasing high-end kitchen appliances by Viking, La Cornue and more. Stop in for a design chat — and maybe one of Laurita’s famous cookies. 222 Merchandise Mart, Suite 137; [Middlebyresidential.com](http://Middlebyresidential.com)

### NOW IN CHICAGO

new & notable

Lynx offers a wide range of good-looking outdoor grills, including a new smoker that can be used by a smartphone via an app.



### GREAT RANGE

## FIRED UP

Viking Range, the stalwart appliance company synonymous with chef-style gas ranges, has been reborn courtesy of its parent company, Middleby Residential, which recently debuted the enhanced Viking Range series along with other innovative products at a new showroom at the Merchandise Mart.

“Appliances have now become the focal point of the kitchen,” says Creative Director Jaime Laurita, who was tapped to design the new showrooms (another is currently under construction in New York) and build a sexier image for the storied brand. “There’s a whole new energy at Viking, and we are turning up the gas,” says Laurita, a trained chef who has appeared on Oprah and toured with artists such as Madonna and Sting as an ambience director.

Laurita’s vision for the **Viking flagship in the Mart** features stunning vignettes that incorporate some of his favorite vendors in the building, such as Artistic Tile and Maya Romanoff. But behind the looks, the appliances powered by commercial cooking technology really stand out. Some of Laurita’s favorites are the Viking TurboChef Speedcooker, an oven that he promises will get you out of the kitchen much faster; Viking GardenChef, a growing station that keeps herbs, microgreens and sprouts at the perfect temperature—“it’s a womb of perfection,” he says. “For someone who loves to juice, it has its own green thumb. Just load it and grow it”; the Napoli outdoor pizza oven and the Sonoma Smoker by Lynx that employs cutting-edge technology and can

Ranges by French manufacturer La Cornue (in bubblegum pink!) and products from AGA and U-Line—all part of the Middleby portfolio—appeal to the millennial as much as the established home chef.

Laurita’s revamp of Viking includes fresh colors and styles, such as a concept matte black range with rose gold details that, based on oohing and aahing alone, is providing ample inspiration for designers and clients. “Viking is an old label with a new life,” says Laurita of the company, which still makes its products in Mississippi. “I got to design with all the best ingredients and play with the new Viking equipment,” he adds. “It’s an experience center. This showroom is really fun and different.” *Middleby Residential/Viking/La Cornue, LuxeHome, 222 Merchandise Mart Plaza, Ste. 137, 312.374.3091, vikingrange.com —Zlata Kozul Naumovski*



Visit [Chicagosplash.com](http://Chicagosplash.com) for a Q&A wit Jaime Laurita

# Residential Equipment Outlook

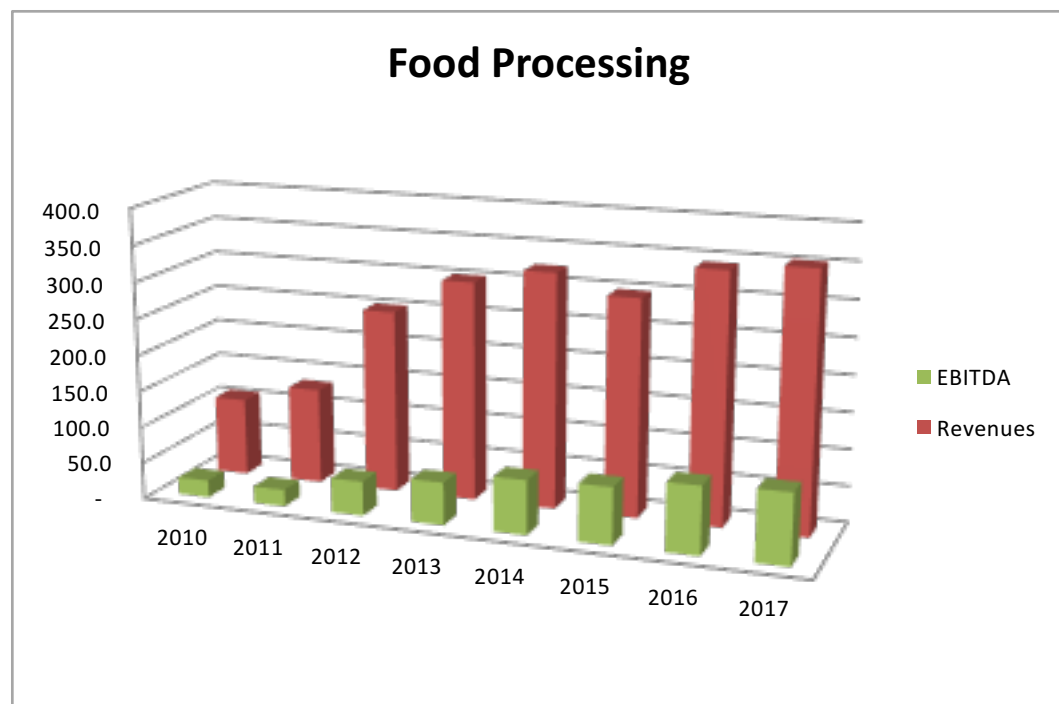
---

- Return to Organic Growth in 2018 Second Half
  - Acceleration of Viking to 10%+ Growth
  - Distribution Changes Complete Mid-Year 2018
  - Non-Core AGA Business Restructuring Complete end 2018
- EBITDA Margin expansion for platform to 20%+ by year end
  - Distribution transition disruption complete
  - Non-Core AGA businesses restructure complete
  - Realizing 2017 and 2018 integration initiatives at AGA core
  - Viking contribution margin
  - Long-Term EBITDA target 30%

**New Platform Positioned for Long-Term Profitable Growth**



# Food Processing



## Food Processing Comments:

- Consistent growth organic and through acquisition
- Margin expansion realized:
  - Acquisition integration
  - Platform synergies
  - Product Innovation
- Continued expansion opportunities:
  - Acquisition integration
  - Baking Division
  - Production Consolidation
  - Strategic Sourcing
  - Product Innovation

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Revenues</b>	107.5	132.6	251.8	301.5	322.8	297.7	342.6	353.2
<b>EBITDA</b>	23.7	23.1	47.3	58.6	74.6	78.0	92.7	96.7
<b>EBITDA %</b>	22.0%	17.4%	18.8%	19.4%	23.1%	26.2%	27.1%	27.4%

**Significant Growth Organic and through Acquisition**

# Food Processing - Organic Growth Comparison

---

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Average</u>
<b>Commercial Foodservice</b>	2.0%	11.6%	5.0%	11.1%	8.9%	3.6%	3.6%	-2.0%	5.5%
<b>Food Processing</b>	34.9%	-18.9%	19.1%	8.3%	3.7%	-13.7%	13.1%	-3.3%	5.4%

## Food Processing Growth:

- Similar growth over 3 to 5 year periods as compared to Commercial Foodservice
- Food processing impacted by larger order size
- Volatility is shrinking as platform expands due to greater diversification
- Similar demand drivers amongst segments:
  - Restaurant growth
  - Convenience foods/retail growth
  - Demand for operational efficiencies (labor, food waste, energy, space)
  - Food Safety
- Revenue synergies amongst complementary brands and technologies

**Similar Growth Over Time in Comparison to Commercial Foodservice**

# Continued Track Record of Strategic Acquisitions

- Strong track record of integrating acquisitions over two decades
- Acquisitions are strategic fit complementing the existing brands and strategic platforms
- Acquire top brands and technology in the field they serve (all sizes, varying financial situations, have acquired family-owned as well as public companies)

2009 Acquisitions	2010 Acquisitions	2011 Acquisitions	2012 Acquisitions	2013 Acquisitions	2014 Acquisitions
   	 	    	   	  	   
\$100MM Revenues	\$50MM Revenues	\$100MM Revenues	\$250MM Revenues	\$60MM Revenues	\$110MM Revenues

Continued Pipeline of Strategic Acquisitions

# Acquisitions – 2015, 2016, & 2017

- Strategic acquisitions to all three platforms
- Addition of approximately \$600 million revenue
- Significant margin expansion opportunities



**INDUC**



life. luxury. marvel.



**Continued Pipeline of Strategic Acquisitions**

# Acquisition Strategy and Integration

---

## Acquire leading brands and technologies

- Established market positions
- Differentiated products
- Ability to generate higher profit margin and cash flow

## Increase operating efficiency

- Eliminate unprofitable SKUs
- Focus on core products
- Streamline production and administrative processes

## Realize synergies

- Increased purchasing leverage
- Utilization of low cost production facilities
- Leverage sales and distribution network
- Leverage existing customer relationships

**Proven Ability to Realize Target EBITDA Margins of +20%**

# Transformative Growth Initiatives Last 5 years

---

- Continued expansion into key **geographic growth markets**
  - Brazil, India, Mid-East (Saudi Arabia, Dubai), Russia, UK, Australia, China
- **National Accounts team** launch
  - Top 50+ major chain restaurants
  - Recent focus on emerging chains, retail, convenience stores, and government
  - Sales Force Consolidation
- Established **Residential Platform** (\$3bn+ market)
  - Acquisition of Viking, Uline, Lynx and AGA group
  - Added portfolio of 12+ premium leading brands
  - Development of company-owned distribution network in USA
  - Viking complete new product lineup
- Established **Commercial Beverage Platform** (\$5bn+ market)
  - Coffee, soda, liquor dispensing solutions, blending, smoothies, softserve, shakes
  - Taylor, Wunderbar, Concordia, Follett, JoeTap
- Continued expansion in **Commercial Foodservice** and **Food Processing** categories:
  - **Acquisition of >30 leading brands and technologies**
- 100+ Innovative **New Product Launches**
  - Automation platform - Kitchen of Future (CTX, MM, Nieco)
  - Ventless platform (Wells, Perfectfry, Turbochef, Cooktek)

# Q & A