



CL King Teleconference

June 19, 2009



# Forward Looking Statements

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# Company Snapshot

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- ◆ 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
- ◆ 15 worldwide manufacturing facilities
  - 11 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 higher growth segments across diverse end 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

## New Restaurant / Store Openings

- Growth in fast casual dining and breakfast
- Emergence of co-branding process is gaining steam

## 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

## Rising Foodservice Operator Costs

- Foodservice operators demanding greater productivity through automation
- Need for equipment with greater energy cost savings
- Increased cost of trans-fat free oil

**Many factors support demand for foodservice equipment**

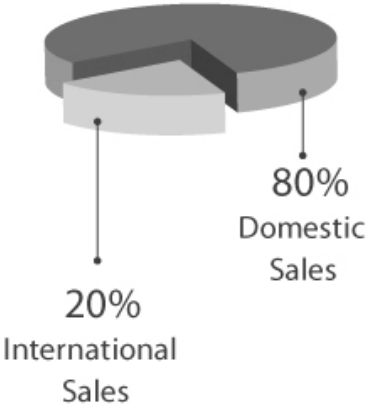
# Company Breakdown

Company Breakdown



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

Sales by Region

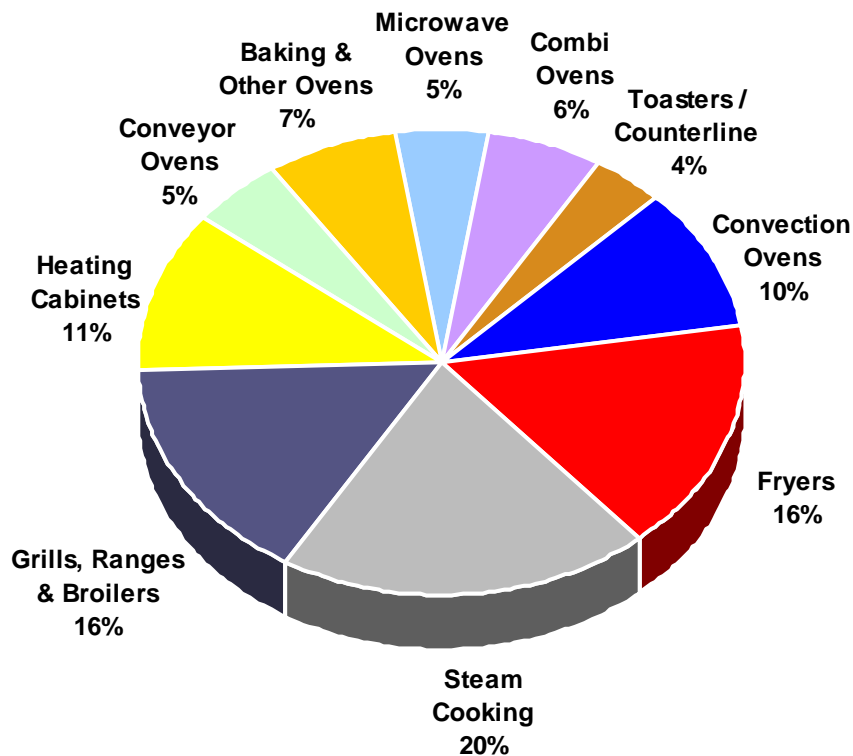


The Commercial Foodservice Equipment serves all commercial kitchens. These include dine-in and carry-out restaurants of all types, institutions such as schools, hospitals, nursing homes and the military. Middleby brands can also be found in convenience stores and supermarkets. Cooking equipment developed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

• 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

## 500 Series Range



- Non-clog burner and water proof controls

## 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

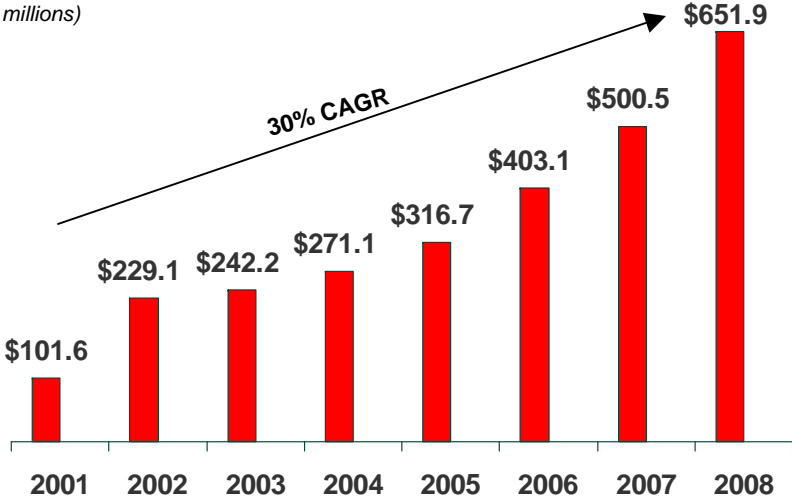
We focus on the development of innovative foodservice equipment



# Financial Performance

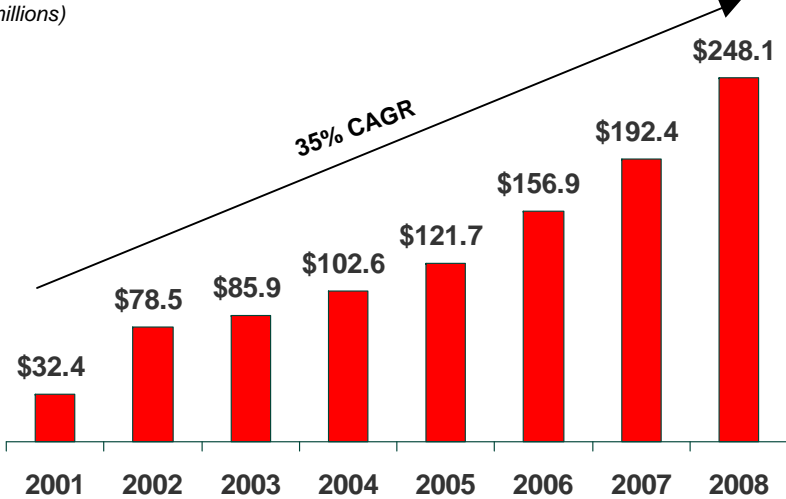
## Sales

(\$ in millions)



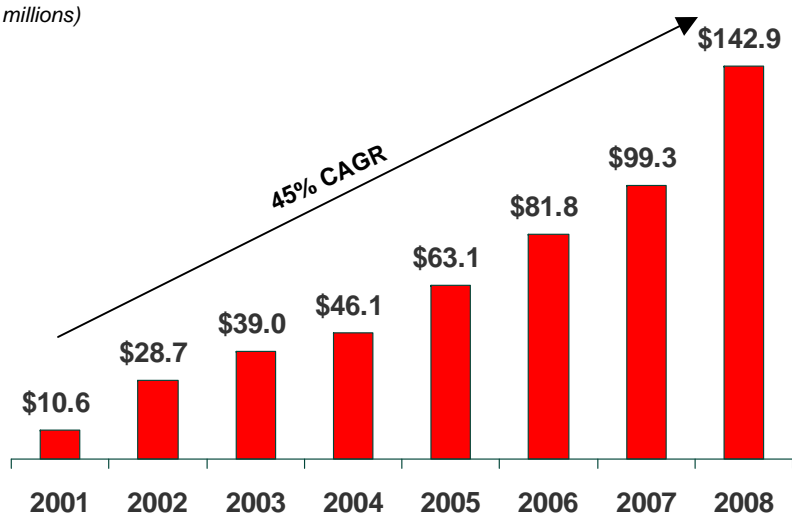
## Gross Profit

(\$ in millions)

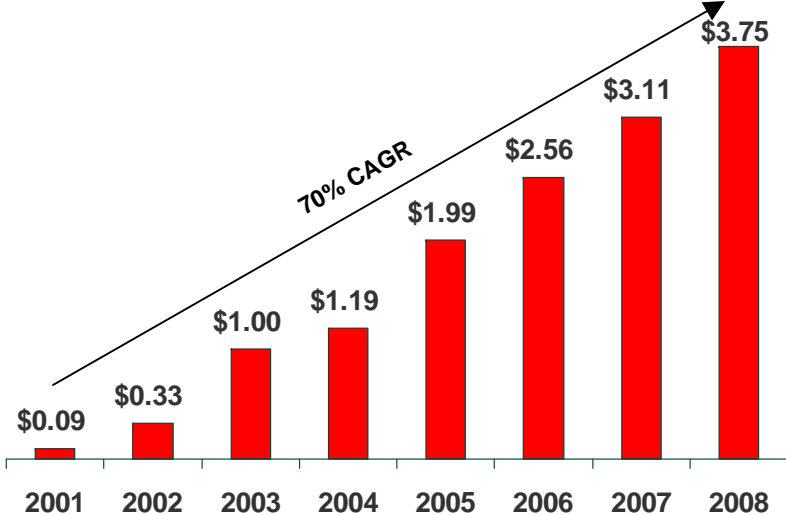


## EBITDA

(\$ in millions)



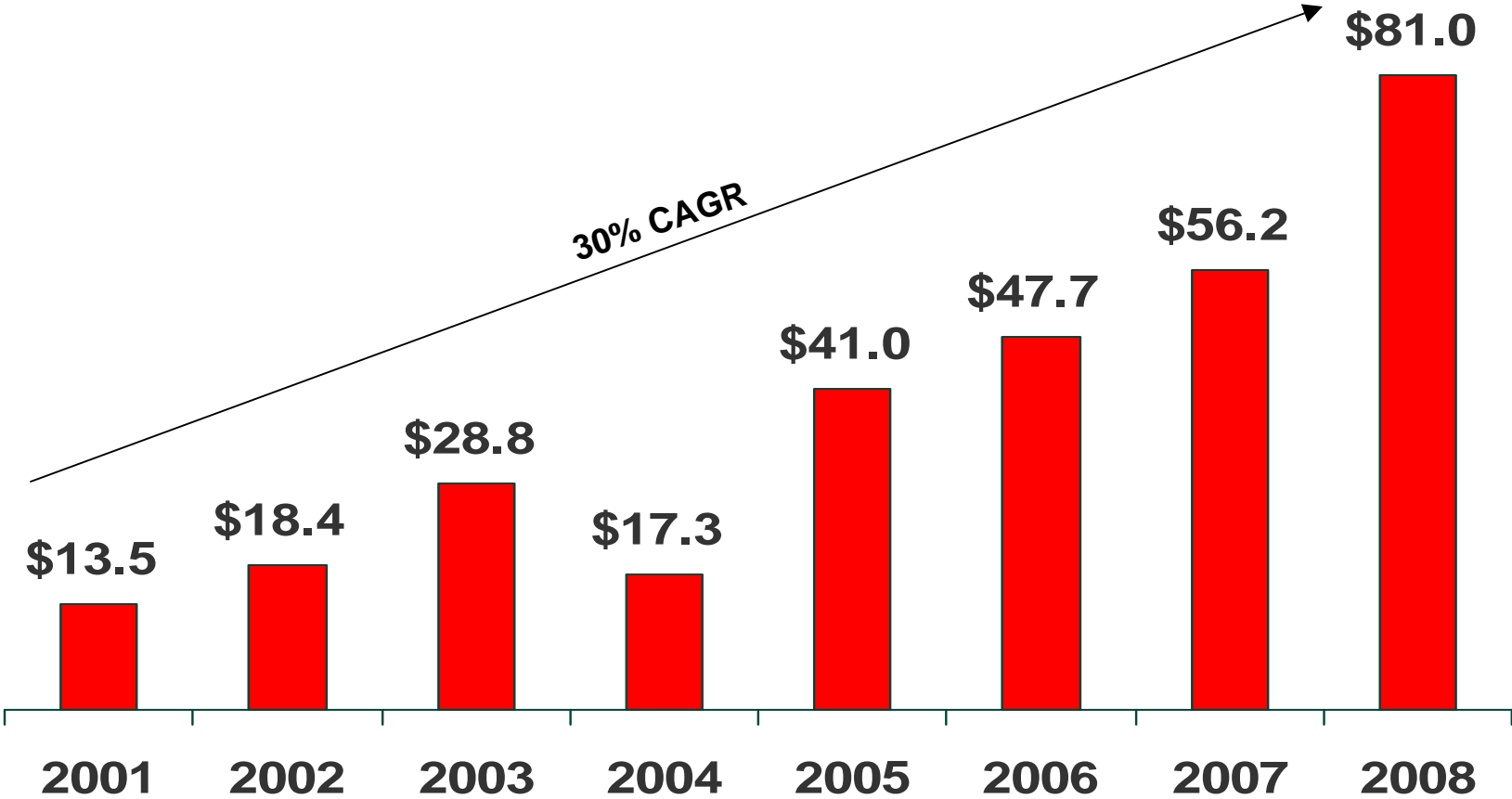
## EPS



# Free Cash Flow

(\$ in millions)

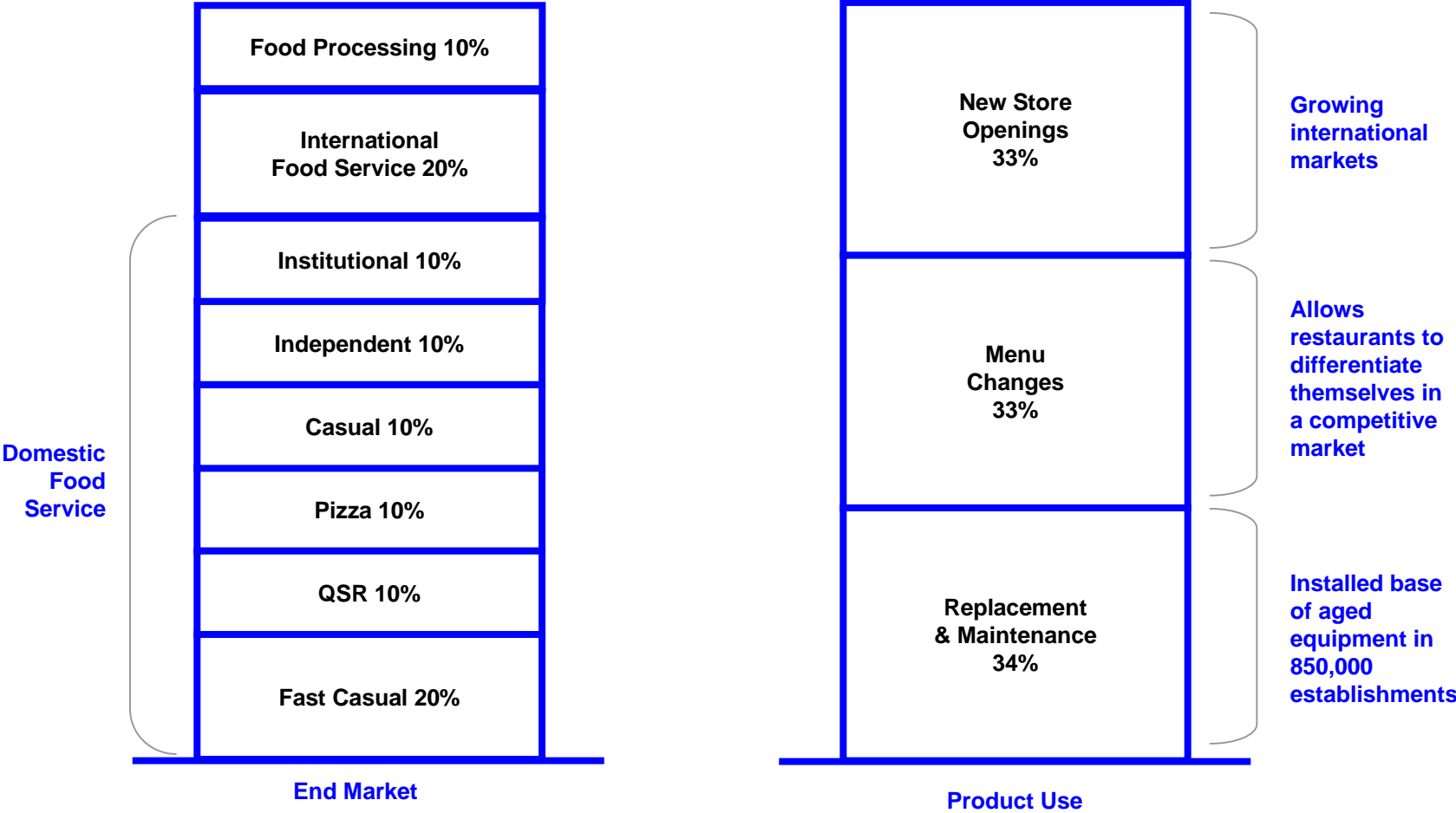
## Free Cash Flow<sup>1</sup>



**Significant free cash flow generation**

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

# 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>



## Result

- *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 
- ◆ High Speed Conveyor Toaster 
- ◆ BCX Combi Oven 
- ◆ Temperature Controlled Griddle 

## 2008 Introductions

- ◆ Wow! 640 Green Oven 
- ◆ Hydrovection Oven 
- ◆ Rocket Fryer 
- ◆ Ventless Hood 
- ◆ Enduraheat 
- ◆ Visual Cooking Combi-Ovens 
- ◆ 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

**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**

- 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



## Hydrovection

COMING  
IN 2008

Blodgett is proud to  
introduce our  
**FASTEST CONVECTION OVEN**  
that also happens to **CLEAN ITSELF.**



*HV-50 half size oven  
shown full size HV-100  
also available*

### SIMPLE & ECONOMICAL TO OPERATE

The **NEW Hydrovection™ oven** from **Blodgett** unites convection cooking with moisture to produce a quality product faster than standard convection ovens. Move your product from the kitchen to the table quickly with the Hydrovection™ from Blodgett. A four speed bi-directional motor and innovative blower wheel design combine to form a unique air control system for a high quality, no-turn bake, with increased product yields that generate savings for you. The unique energy management system precisely controls the cooking environment reducing energy consumption by 40% over typical electric convection ovens.

### EASY TO CLEAN - SAVES ON LABOR

The Hydrovection™ oven is self cleaning. It uses a steam assist feature to loosen baked on deposits reducing your cleaning time up to 95%. The oven also features a welded stainless steel pan style liner, an optional integrated spray hose, and a drain for easy interior wash down.

The Hydrovection will be available in both full and half size models.

YOUR SINGLE SOURCE FOR QUALITY COMMERCIAL COOKING EQUIPMENT

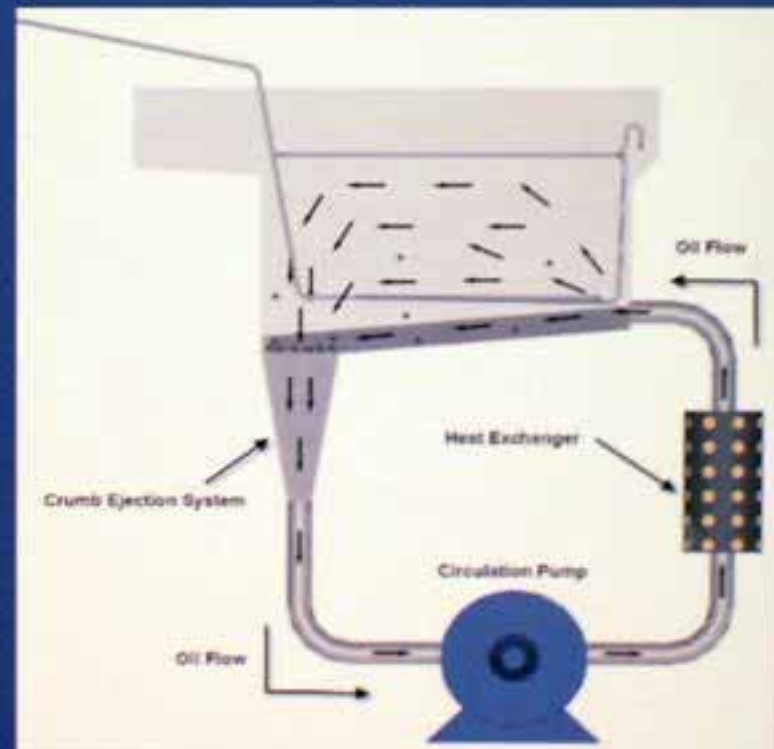
**BLODGETT**

44 Lakeside Avenue, Burlington, VT 05401 • (800)-331-5842  
[www.blodgett.com](http://www.blodgett.com)

## Rocket Fryer

(Oil flow schematic)

- Circulation Pump for Oil Impingement, convection flow.
- In Line Heat Exchanger
- Uses Less Oil for cooking
- Crumb Ejection System



August, 2008

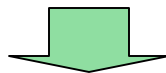
# Acquisition Strategy

- **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



Approximately \$100 million in revenues

## 2008 Acquisitions



Approximately \$200 million in 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



C3 Oven



Tornado Oven



High h Batch Oven

## Select Customers



## New Commercial Ovens



i Series Batch Oven



Countertop Conveyor Oven



# Overview of the Transaction

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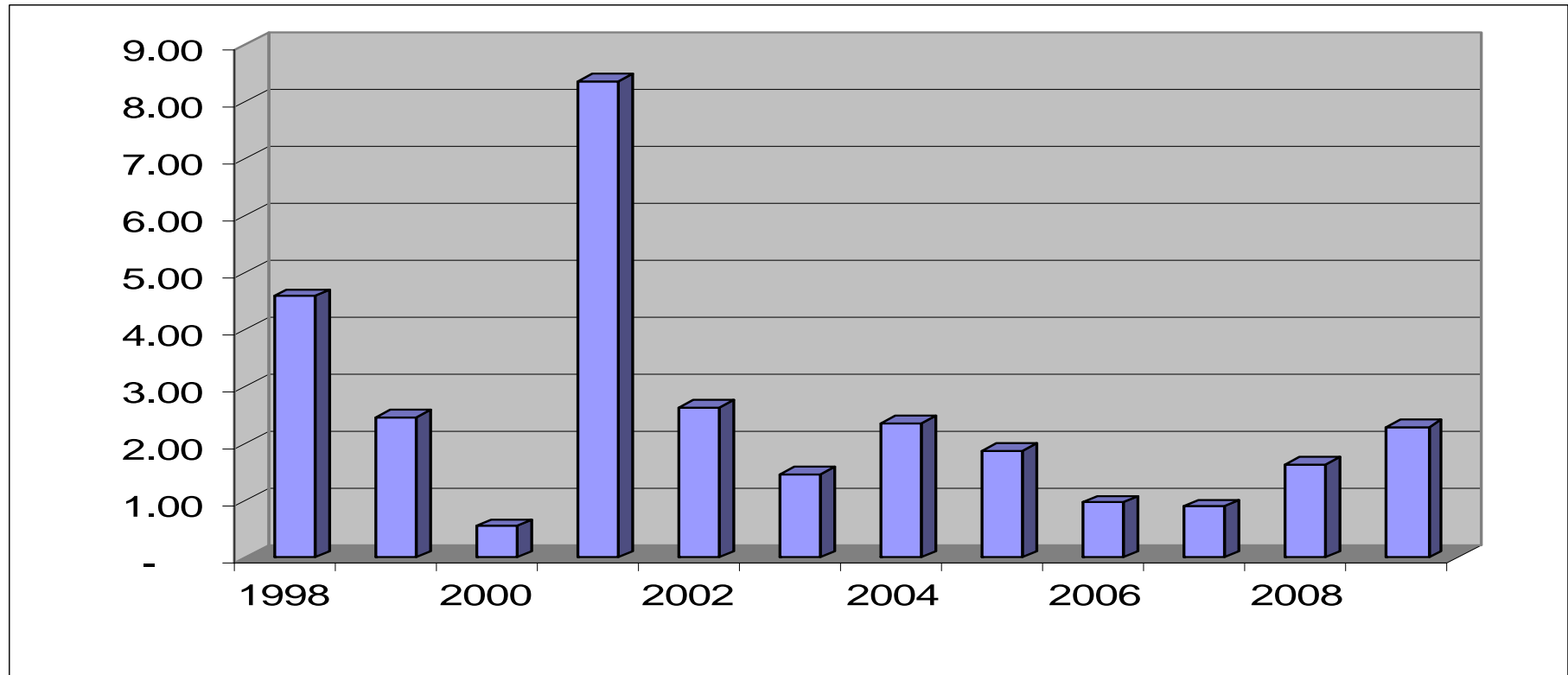
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- Price and Form of Consideration**
- ◆ \$160 million purchase price
  - ◆ \$115 million cash
  - ◆ 1,540,000 common shares valued at \$45 million
  - ◆ Approximate transaction costs and change in control payments of ~\$20 million
- 

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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 \$8-\$10 million of non-cash charges annually
- 

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- Financing**
- ◆ Proforma debt after acquisition \$370 million
  - ◆ 2.25x Leverage
  - ◆ Funded under revolving credit facility
- 
-

# 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

# 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

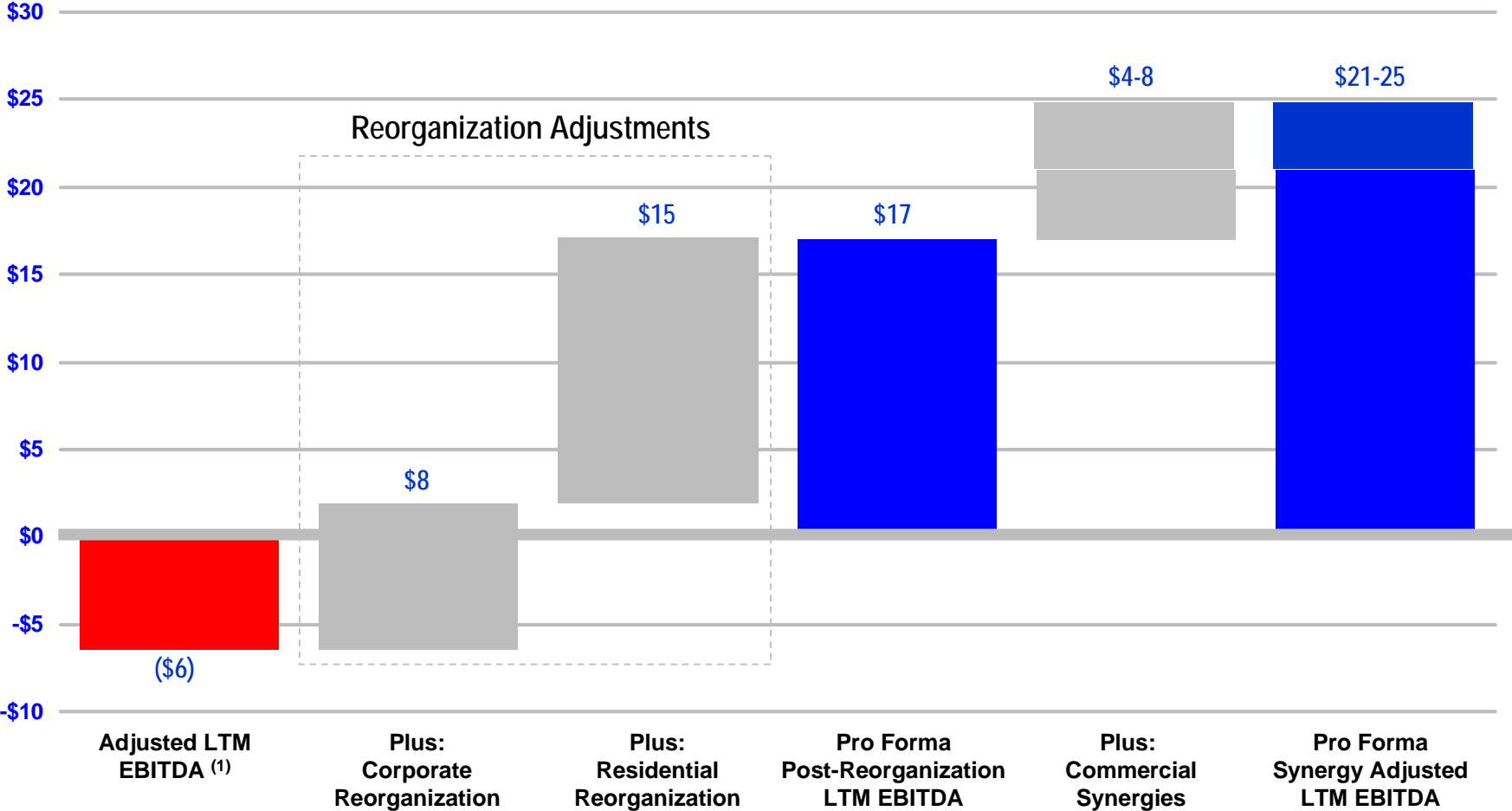
- ◆ Purchasing and material costs
- ◆ Manufacturing efficiencies
- ◆ Marketing and trade show costs
- ◆ International distribution consolidation
- ◆ Other cost synergies and reduction opportunities

◆ \$4-\$8 million

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# Plan for Operational Improvement

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



◆ 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.

# 2009 Initiatives

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## ◆ Acquisition Integration

- Integration of Turbochef operations
- Continued improvement of 2007 and 2008 acquisitions
  - Consolidation of counterline manufacturing
  - Consolidation of European manufacturing

## ◆ Cost Reduction

- Lower cost base to offset reduced demand
- 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 smaller strategic and opportunistic acquisitions

# Key Investment Highlights

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