



The Middleby Corporation Reports Third Quarter Results

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- Revenue of \$993 million, a 21.5% increase year over year
- Diluted Earnings per share of \$1.92 and adjusted net earnings per share of \$2.18, an increase of 13.5% year over year
- Adjusted EBITDA of \$212 million, a 23.3% increase year over year
- Profitability grew to an organic adjusted EBITDA margin of 22.6%
- Completed the acquisition of CP Packaging, expanding Middleby's offerings in packaging innovation
- Completed the acquisition of Colussi Ermes, enhancing Middleby's automated washing & food safety solutions

ELGIN, Ill.--(BUSINESS WIRE)--Nov. 9, 2022-- The Middleby Corporation (NASDAQ: MIDD), a leading worldwide manufacturer of equipment for the commercial foodservice, food processing, and residential kitchen industries, today reported net earnings for the third quarter of 2022.

"We continue to execute on our strategic and operating initiatives, while realizing growth in sales and profitability. We reported record third quarter sales and EBITDA, with margins ahead of pre-covid levels despite significant continued inflationary effects impacting the quarter," said Tim FitzGerald, CEO of The Middleby Corporation.

2022 Third Quarter Financial Results

- Net sales increased 21.5% in the third quarter over the comparative prior year period. Excluding the impacts of acquisitions and foreign exchange rates, sales increased 14.2% in the third quarter over the comparative prior year period, reflecting higher shipments as we realize benefits of investments to increase our production throughput.
- Organic net sales (a non-GAAP measure) increases were reported for all three segments due to improvements in market conditions and consumer demand in the third quarter of 2022. A reconciliation of reported net sales by segment is as follows:

	Commercial Foodservice	Residential Kitchen	Food Processing	Total Company
Reported Net Sales Growth	21.9 %	14.3 %	31.6 %	21.5 %
Acquisitions	7.4 %	17.7 %	14.7 %	10.9 %
Foreign Exchange Rates	(2.5)%	(5.7)%	(4.8)%	(3.6)%
Organic Net Sales Growth ^{(1) (2)}	17.0 %	2.3 %	21.7 %	14.2 %

(1) Organic net sales growth defined as total sales growth excluding impact of acquisitions and foreign exchange rates

(2) Totals may be impacted by rounding

- Foreign exchange losses were approximately \$8.6 million in the third quarter, which negatively impacted adjusted earnings per share by \$0.12. For the nine months period, foreign exchange losses were approximately \$18.2 million, which negatively impacted adjusted earnings per share by \$0.25.
- Adjusted EBITDA (a non-GAAP measure) was \$212.3 million, in the third quarter of 2022 due to the impact of higher sales volumes and profitability initiatives. A reconciliation of organic adjusted EBITDA (a non-GAAP measure) by segment is as follows:

	Commercial Foodservice	Residential Kitchen	Food Processing	Total Company
Adjusted EBITDA	26.7 %	15.8 %	22.2 %	21.4 %
Acquisitions	0.1 %	(4.9)%	(1.5)%	(1.1)%
Foreign Exchange Rates	— %	(0.1)%	(0.3)%	(0.1)%
Organic Adjusted EBITDA ^{(1) (2)}	26.5 %	20.6 %	23.9 %	22.6 %
(1) Organic Adjusted EBITDA defined as Adjusted EBITDA excluding impact of acquisitions and foreign exchange rates.				
(2) Totals may be impacted by rounding				

- Operating cash flows during the third quarter amounted to \$84.0 million in comparison to \$173.7 million in the prior year period. The total leverage ratio per our credit agreements was 3.1x. The trailing twelve month bank agreement pro-forma EBITDA was \$871.7 million.
- Cash balances at the end of the quarter were \$144.9 million. Net debt, defined as debt excluding the unamortized discount associated with the Convertible Notes less cash, at the end of the 2022 fiscal third quarter amounted to \$2.7 billion as compared to \$2.3 billion at the end of fiscal 2021. Debt increased \$130 million related to recent business acquisitions. Additionally, our borrowing availability at quarter end was approximately \$2.1 billion.

“The demand outlook for our products at both our commercial foodservice and food processing segments remains strong. We are engaged with customers on our latest innovations offering solutions to address labor, energy, food costs and speed. We have made significant investments in technology and automation throughout the pandemic positioning us better than ever to support the challenges facing our customers today.”

“The residential housing market has become significantly more challenged with the impact of interest rate hikes and inflationary effects that has slowed consumer spend on residential kitchen equipment. While there is significant uncertainty as we move into the next year, our order backlog remains ahead of pre-covid levels. We are confident in our ability to maintain industry-leading profitability levels even in challenging market conditions. We expect investments made over the past several years in our award-winning showrooms, industry-leading culinary teams, and our newly developed designer services programs will increase market penetration of our exciting portfolio of industry leading brands and products,” concluded Mr. FitzGerald.

Conference Call

The company has scheduled a conference call to discuss the third quarter results at 11 a.m. Eastern/10 a.m. Central Time on November 9th. The conference call is accessible through the Investor Relations section of the company website at www.middleby.com

(<https://cts.businesswire.com/ct/CT?>

[id=smartlink&url=http%3A%2F%2Fwww.middleby.com&esheet=52964814&newsitemid=20221109005410&lan=en-US&anchor=www.middleby.com&index=1&md5=63d43cd2c6bd25412a8ee162a2cdc7e7](https://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Fwww.middleby.com&esheet=52964814&newsitemid=20221109005410&lan=en-US&anchor=www.middleby.com&index=1&md5=63d43cd2c6bd25412a8ee162a2cdc7e7)). If website access is not available, attendees can

join the conference by dialing (833) 630-1956 or (412) 317-1837 and ask to join the Middleby conference call. The conference call will be available for replay from the company’s website.

Statements in this press release or otherwise attributable to the company regarding the company's business which are not historical facts 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 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. Any forward-looking statement speaks only as of the date hereof, and the company does not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law.

The Middleby Corporation is a global leader in the foodservice industry. The company develops and manufactures a broad line of solutions used in commercial foodservice, food processing, and residential kitchens. Supporting the company’s pursuit of the most sophisticated innovation, the state-of-the-art Middleby Innovation Kitchens showcases and demonstrates the most advanced Middleby solutions. In 2022 Middleby was named a World’s Best Employer by Forbes and is a proud philanthropic partner to organizations addressing food insecurity.