



The Middleby Corporation Reports Record First Quarter Results

May 10, 2023 at 7:00 AM EDT

- Revenue of \$1,007 million, a 1% increase year over year
- Diluted Earnings per share of \$1.82 and adjusted net earnings per share of \$2.19, an increase of 3% year over year
- Adjusted EBITDA of \$210 million, a 6% increase year over year
- Profitability grew to an organic adjusted EBITDA margin of 21.1% compared to 19.8% in the prior year
- Completed the acquisition of Flavor Burst, expanding Middleby's beverage platform

ELGIN, Ill.--(BUSINESS WIRE)--May 10, 2023-- 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 first quarter of 2023.

“We began the year posting solid results at our Commercial Foodservice and Food Processing segments, while our Residential business faced the expected challenges of current market conditions and the impact of inventory destocking at retailers. While these conditions persist for our residential business, we anticipate improvement as the year progresses and inventory levels normalize. Our investments in manufacturing capacities along with improvements in supply chain have returned lead times to normalized levels across most of our businesses and position us to serve our customers in 2023. We continue to have meaningful engagement with customers across all three of our business segments and are excited for the opportunities developing around our latest product innovations addressing labor, energy, speed and sustainability. We continue to invest in our innovation centers in the US and Europe. These centers have proven to be a strategic for demonstrating our new product solutions and driving our long-term growth objectives,” said Tim FitzGerald, CEO of The Middleby Corporation.

2023 First Quarter Financial Results

- Net sales increased 1.3% in the first quarter over the comparative prior year period. Excluding the impacts of acquisitions and foreign exchange rates, sales decreased 1.4% in the first quarter over the comparative prior year period.
- Organic net sales (a non-GAAP measure) increases were reported for the Commercial Foodservice and Food Processing segments due to improvements in market conditions and consumer demand in the first quarter of 2023. A reconciliation of reported net sales by segment is as follows:

	Commercial Foodservice			Residential Kitchen			Food Processing			Total Company	
Reported Net Sales Growth	13.7	%		(33.6) %		40.4	%		1.3	%
Acquisitions	3.3	%		—	%		17.3	%		4.0	%
Foreign Exchange Rates	(1.2)%		(1.6)%		(1.2)%		(1.3)%
Organic Net Sales Growth ⁽¹⁾ ⁽²⁾	11.5	%		(32.1)%		24.3	%		(1.4)%

(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 \$2.2 million in the first quarter, which negatively impacted adjusted earnings per share by \$0.03.
- Adjusted EBITDA (a non-GAAP measure) was \$210.0 million, in the first quarter, which includes \$2.8 million of unfavorable translation impacts from changes in foreign exchange rates.

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	26.0	%		12.9	%		23.6	%		20.8	%
Acquisitions	(0.5) %		—	%		(0.4) %		(0.3) %
Foreign Exchange Rates	—	%		—	%		—	%		(0.1) %
Organic Adjusted EBITDA ^{(1) (2)}	26.5	%		12.9	%		24.1	%		21.1	%
(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 first quarter amounted to \$92.0 million in comparison to \$15.3 million in the prior year period. The total leverage ratio per our credit agreements was 3.0x. The trailing twelve month bank agreement pro-forma EBITDA was \$894.5 million.
- Repurchased 348,980 Middleby shares in the open market during the first quarter for \$48.3 million.
- Cash balances at the end of the quarter were \$156.5 million. Net debt, defined as debt excluding the unamortized discount associated with the Convertible Notes less cash, at the end of the 2023 fiscal first quarter amounted to \$2.6 billion as compared to \$2.6 billion at the end of fiscal 2022. Additionally, our borrowing availability at the end of the first quarter was approximately \$2.3 billion.

“We are excited to have completed the acquisitions of Flavor Burst and Blue Sparq to begin the year. Flavor Burst is a terrific complement to our soft-serve and slush beverage systems, providing our foodservice customers with an expanded menu of flavorful offerings to enhance their customers’ experience,” said Tim FitzGerald. “Blue Sparq extends our software and controls development capabilities, supporting our accelerated new product innovation across our portfolio of commercial and residential brands,” concluded Mr. FitzGerald.

Conference Call

The company has scheduled a conference call to discuss the first quarter results at 11 a.m. Eastern/10 a.m. Central Time on May 10th. 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=53397192&newsitemid=20230510005401&lan=en-US&anchor=www.middleby.com&index=1&md5=ebd206c30bdf9bfd3f54154bf63013cd>). 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.