



**December 4<sup>th</sup> 2025**

**Team Number: 10**

**Student Names: William Wright, Ashvin Sivakumar, Annabella Yuan**

**Long: Middleby Corp (NASDAQ: MIDD)**

**Current Price: \$113 Target Price: \$154 (+35% upside)**

# Pitch Summary

## Narrative Summary

- **Middleby Corp** is a leader in designing, manufacturing, and distribution of foodservice equipment trading at 9x EBITDA, a large discount to peers & it's history.
- Public since 1987, MIDD was a one of the most prolific SMID-cap stocks, **compounding at ~20% for the last 25 years (vs 8.5% for the SPX)**, but has been **flat** since 2019, YTD, shares have underperformed, down **-13%** while the S&P 400 is down **-2%**.
- We believe that MIDD's CFS segment is a hidden gem with resilient margins and incredible FCF conversion, **set to inflect and expand its moat**, while management regains their focus and shifts capital allocation to highly accretive buybacks. Aided by intelligent activist involvement & an improved focus on organic growth and ROIC, and at decade low valuations, MIDD is a compelling investment for a patient investor.

## Bears think....

### Revenue

**Continued cyclical weakness** driven by weak unit and traffic growth among restaurant customers

**Competitive, commoditized** foodservice equipment landscape

### Capital Allocation

**Value-destructive** acquisitions in RK segment have burnt cash and lead to a conglomerate discount

## But in reality:

Incoming deferred replacement cycle + strong customer unit growth plans

**MIDD has a strong and growing moat**, that leads to secular growth and strong margins

**MIDD has turned a new leaf**, with a strong activist and actively improving capital allocation

## Low Downside and Strong Risk-Reward to the stock

- **MIDD** trades just 3 turns higher than its COVID lows despite defensive margins and resilient FCF generation during recessions.
- Intelligent buybacks at a cheap valuation limits downside & makes MIDD increasingly attractive on a risk-adjusted basis, with our model giving a 3x upside/downside ratio, with 27% downside and our SOTP valuation giving 62% upside.
- Behind the scenes, MIDD is being cleaned up and re-focused with the help of Garden Investments. However, in a market focused on hyper-growth tech-driven stories, the stock hasn't yet been rewarded - the market ignores all other positive factors
- While buying back 6% of the market cap annually, and organic growth soon to inflect, **MIDD** is one of the best risk-adjusted opportunities today with a time horizon > 1 year

# Company Overview

## Business Description

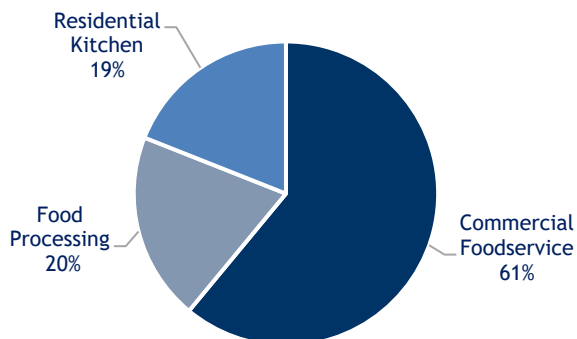
- **Middleby Corporation (NASDAQ: MIDD)** is a global leader in designing, manufacturing, and distributing products and equipment across 3 segments: Commercial Foodservice, Food Processing & Residential Kitchen
- With a portfolio of >130 brands, they serve thousands of customers, including blue chip ones like McDonald's, Costco, and Marriott. Middleby's equipment plays an essential role in food preparation around the world.
- Founded in 1888 and headquartered in Elgin, Illinois, they have diversified through acquisitions, with over 110 deals since 2000 in building up their 3 segments.

## Key Financials and Trading Statistics

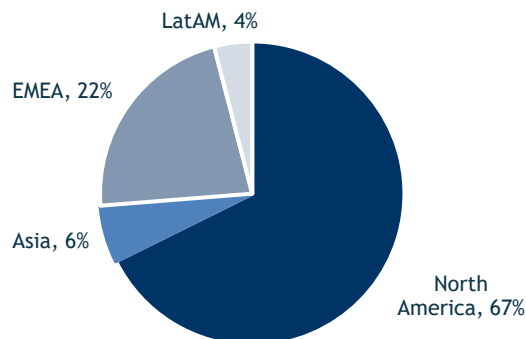
Current Price (\$)	\$114	52W High / Low (\$)	182.73 / 112.61
Market Cap (\$M)	\$5,722.20	Avg. Volume (mm)	0.71
Enterprise Value (\$M)	\$7,640.30	Float (%)	77.30%
24 Revenue (\$M)	3875.2	Short Interest (%)	5.16%
23-'25 CAGR (%)	-2%	EV/EBITDA (x)	9.1
24 GM (%)	37.90%	26E P/E (x)	12.9
24 EBITDA (\$M)	839.6	24 ND/EBITDA (x)	2
EBITDA Margin (%)	21.70%	LTM Q3'25 ROA	6.20%
2024 EPS (\$)	7.9	Dividend Yield (%)	-

## Revenue Breakdown

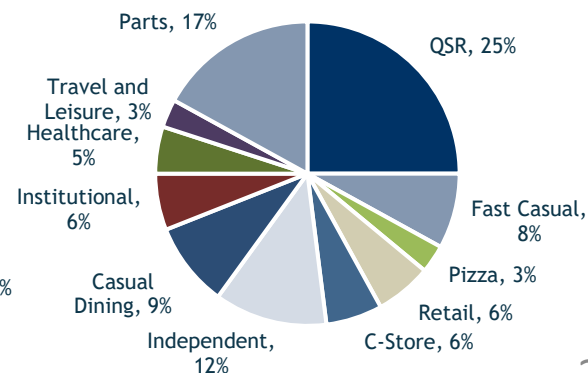
Revenue by Segment



Revenue by Geography



CFS 2024 Sales by Customer Segment



## Segment Overview

Business Segments		
Segment	Description	Core Brands
Commercial Foodservice	<ul style="list-style-type: none"> <li>The CFS portfolio is wide - covering equipment like ovens, ventilation equipment, ice machines etc. that Middleby designs and sells through its' ~75 brands. CFS is a premier solutions provider across commercial kitchen and beverages.</li> <li>CFS's customer base includes restaurants, convenience stores, supermarkets, and cafeterias, including QSR brands like KFC</li> <li>CFS is their <b>crown jewel</b> segment, with 61% of sales and 81% of adj. EBITDA. Revenue grew at a ~10% CAGR from 2009-2024</li> </ul>	
Food Processing	<ul style="list-style-type: none"> <li>MIDD has operated in FP since 2001, which supplies solutions for protein and bakery producers such as thermal processing like ovens and conveyors, or food preparation like tumblers and mixers. Solutions are marketed under ~31 brands</li> <li>This segment will undergo a tax-free spin off in 1H26</li> <li>FP generates 20% of sales and 20% of adj. EBITDA. Revenue grew at a ~17% CAGR from 2009-2024</li> </ul>	
Residential Kitchen	<ul style="list-style-type: none"> <li>MIDD has operated in RK since 2013, designs and sells premium residential kitchen and outdoor cooking equipment under ~24 brands, like Viking and AGA.</li> <li>Products include cooktops, dishwashers, and grills.</li> <li>RK generates 19% of sales and 10% of adj. EBITDA. Revenue grew at a ~11% CAGR from 2009-2024</li> </ul>	

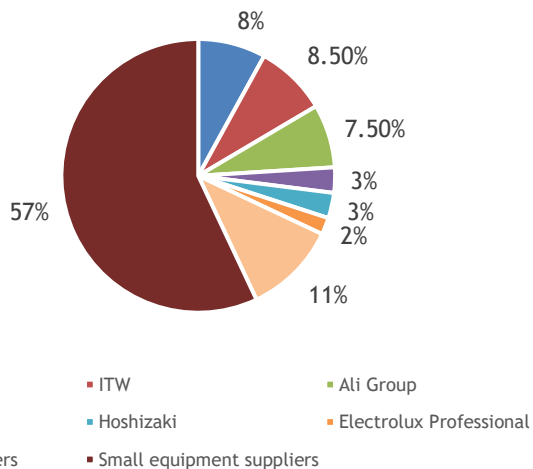
Customer Channels		
Category	Primary Channel	Sales Approach
CFS: Large Chains (MCD, CAKE etc.)	Direct sales through sales reps	Custom product development and consultative
CFS: Independent Restaurants	Dealer Network	Dealers like Wasserstrom, Singer, Clark Associates
CFS: Institutional	Specialized Teams	RFP process and compliance focused
Food Processing	Direct sales	Consultative and solution driven
Residential Kitchen	Retailers and Distributors	Internal Sales Managers

- Though CFS sells to several large multi-national chain restaurants, **no single customer accounts for more than 10% of sales.**
- There is minimal sales overlap between each product segment

## Industry Overview: CFS

### Competitive Positioning

- Commercial foodservice equipment as a whole is a ~\$35bn industry that serves restaurants, convenience stores, and institutional kitchens with cooking, refrigeration, and automation systems
- Top 6 players are ~40% of the industry, with a long tail of smaller players following them



- Supply conditions are normalized and there is **no capital cycle** - industry capex like Rational's €100m assembly move and manufacturing plant in China, or Hoshizaki's new Vietnamese refrigeration JV, is not out of the ordinary

### Industry Tailwinds and Headwinds

Replacement cycle in mature markets

Menu innovation & throughput: need for speed ovens, combis, stackable or ventless units to support delivery and smaller footprints

Labor scarcity & wage inflation: pushes adoption of automation, universal controllers, and data analytics

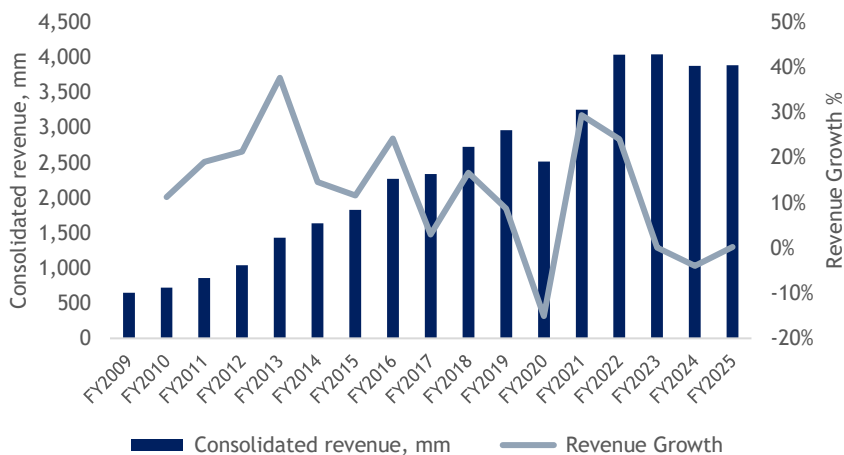
Globalization of restaurant chains: export of U.S. concepts to EMEA + LATAM continues to expand equipment demand

Balance sheet stress at lower-tier operators

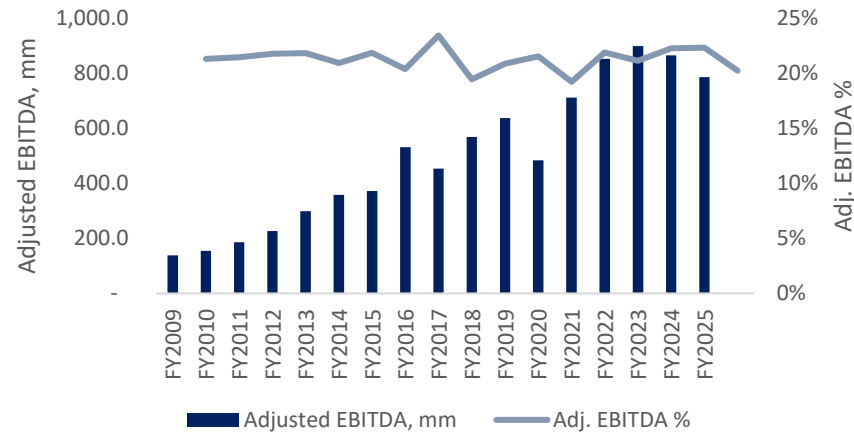
Higher interest rates

# Historical Financials

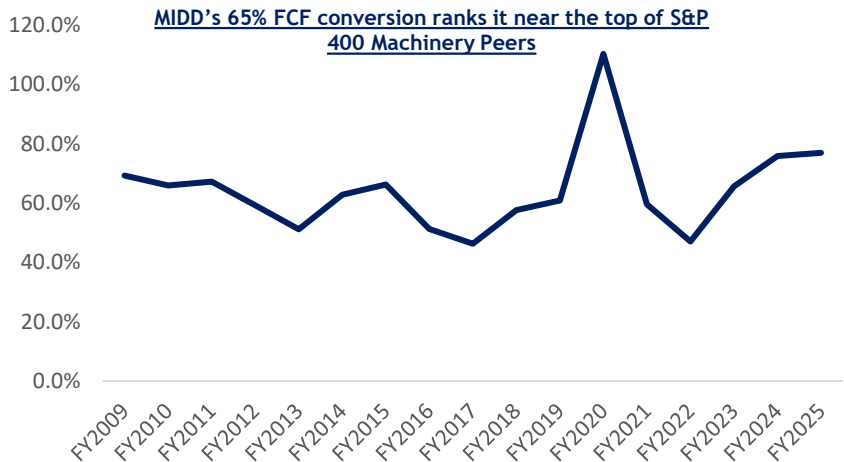
## Historical Revenue and Revenue Growth (Consolidated)



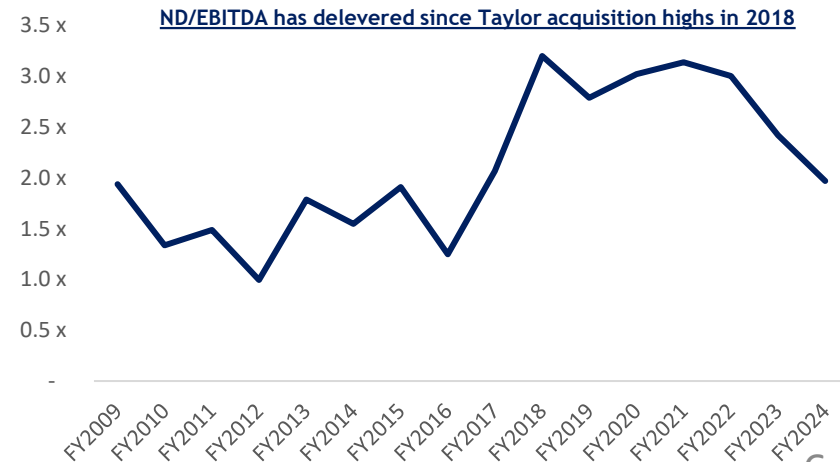
## Historical EBITDA & Margin (Whole Business)



## Historical FCF Conversion



## Historical Net Leverage - ND/EBITDA



## Investment Theses

**MIDD** is one of the best risk-adjusted opportunities today with a time horizon > 1 year. The company, undergoing self-help behind the scenes, is on the cusp of a positive inflection in growth and ROIC, leading to strong returns with low downside.

### Thesis 1: Coiled Rebound

- We believe that **CFS revenue growth will be above consensus** as
  - CFS will return to normalized defensive organic growth as a deferred equipment replacement cycle begins
  - Customers, planning to continue unit growth and investing to boost traffic, land additional short-term organic revenue support

### Thesis 2: Secular Moat and Mix

- We believe that **CFS's long-term secular revenue growth and margins will be more durable than consensus** as
  - MIDD's moat expands due to its installed-base strength and world-leading offerings in equipment innovation creates stronger barriers to entry
  - Rising exposure to adjacencies like beverages and aftermarket replacement increases revenue resilience

### Thesis 3: Capital Allocation Heaven

- We believe that MIDD will **rerate and per-share earnings will be above consensus** as
  - Activist influence pushes for successful spins of non-core businesses, returning management to focus
  - Improved capital allocation drives per/share earnings and FCF growth

## Investment Summary

We see 35% weighted upside in the stock with revenue estimates 6% ahead, and EBITDA estimates 9% ahead of 2028 consensus

### Thesis 1: Coiled Rebound

- Revenue 3% and EBITDA 4% ahead of 2028 consensus

### Thesis 2: Secular Moat and Mix

- Revenue 3% and EBITDA 5% ahead of 2028 consensus

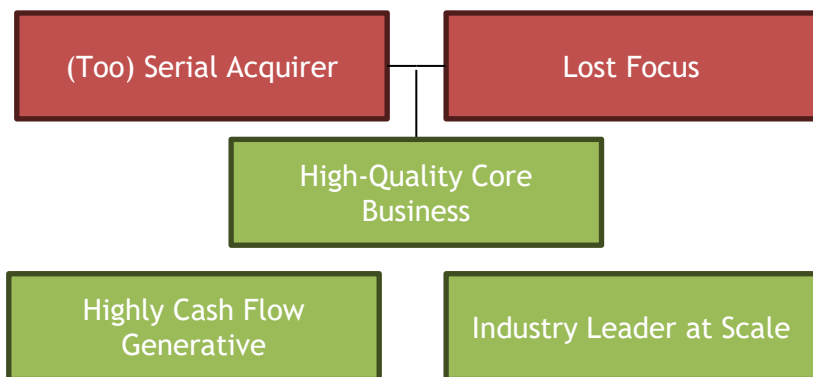
### Thesis 3: Capital Allocation Heaven

- Base Case multiple at 11x rather than 2028 consensus of 9x, with 12% lower share count from buybacks and increased conviction



# Why Does the Opportunity Exist?

## Shaking off Stigma



## Reverse DCF shows cheapness

Metrics	10Y Org. Revenue CAGR	Avg. EBITDA Margin %	Avg. FCF Margin %
Historical	-0.8%	21.4%	13.6%
Implied	1%	20.5%	13.5%
<i>Delta</i>	<i>+1.8%</i>	<i>-0.9%</i>	<i>-0.1%</i>

At current levels, the market-implied fundamentals are **materially below both** Middleby's history and what is achievable:

- Implied organic revenue CAGR is only ~1%, with the market underwriting a **no-growth industrial** despite their history
- Implied EBITDA margins compress ~90 bps vs. history, inconsistent with MIDD's stable margin history
- Implied FCF margins flat to slightly down despite a cleaner portfolio and ROIC-aligned incentives

The bar embedded in the current valuation is **low**

## What the Market Isn't Seeing

- With MIDD's recent history clouding their long-term growth, we find that the market's **judgement has soured** — MIDD's compounding will return
- For a market fully sold on AI, a boring, industrial business like MIDD is often missed - **valuation still embeds a governance discount that no longer applies.**
- We see Middleby compounding earnings with durable margins, rising cash conversion, and lower multiple-compression risk.
- **Alternative data** from consumer and dealer surveys, product portfolio research, conversations with the activist, social media and aggregation of online pricing portals **lets us generate unique insights** that the market glosses over.

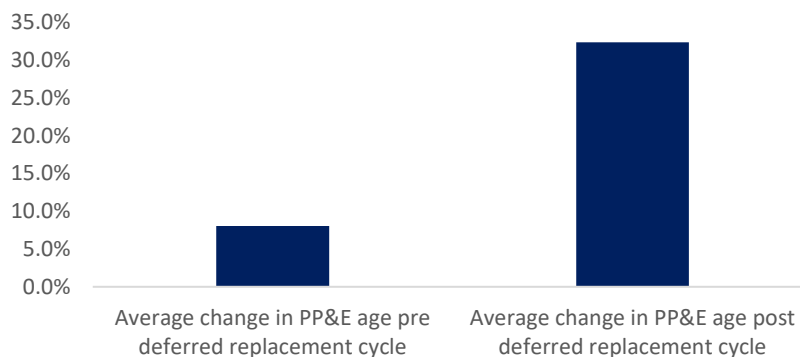
# Investment Thesis 1

The market mistimes the return of MIDD's CFS high-quality defensive organic growth back to normalized levels

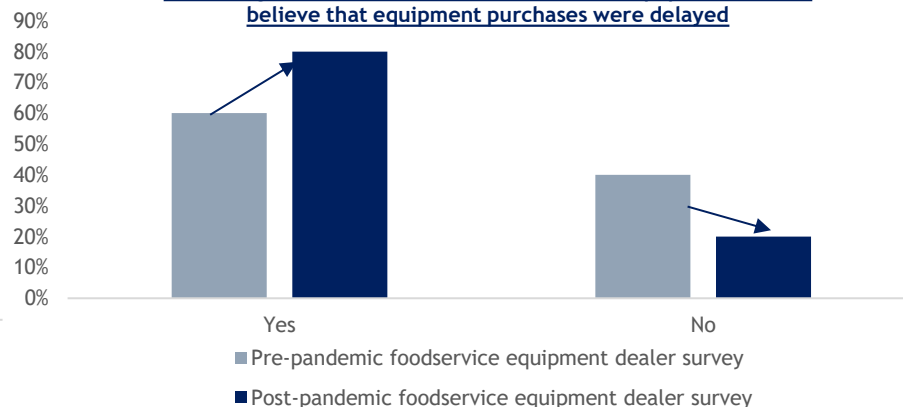
## CFS Organic Growth has suffered as operators have uncharacteristically delayed back-of-house capex

- Organic growth has slowed from 2017 onwards as operators **delayed back-of-house capex investments**, investing more in front-of-house technology pre-Covid, then being disrupted by Covid-induced supply-chain disruptions. These are temporary disruptions to CFS' **normalised, MSD through-cycle growth** that we believe **are beginning to inflect**.

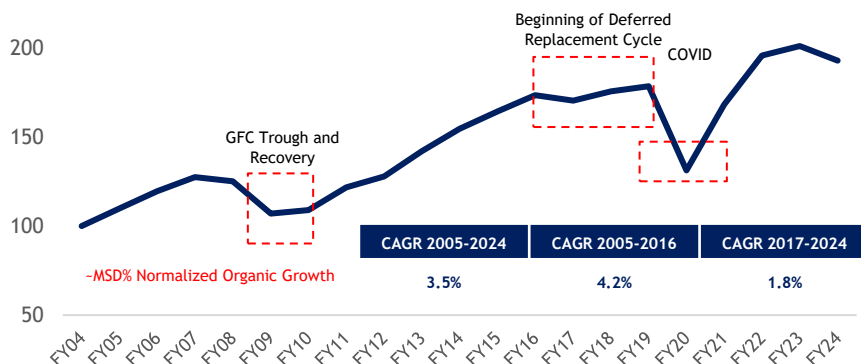
Average PP&E ages for public restaurant companies have gone up drastically since replacement deferrals



Dealer surveys, supplemented with dealer channel checks, show an increasing amount of commercial foodservice equipment dealers believe that equipment purchases were delayed



MIDD CFS Organic Growth (Indexed to 100)



- POS has also taken an unnaturally high wallet share of capex recently: from 2019-2024 restaurant POS hardware sales grew at **~18% CAGR**, while food-service equipment like MIDD has grown at 1.6% CAGR and restaurant capex grew at an 1.4% CAGR

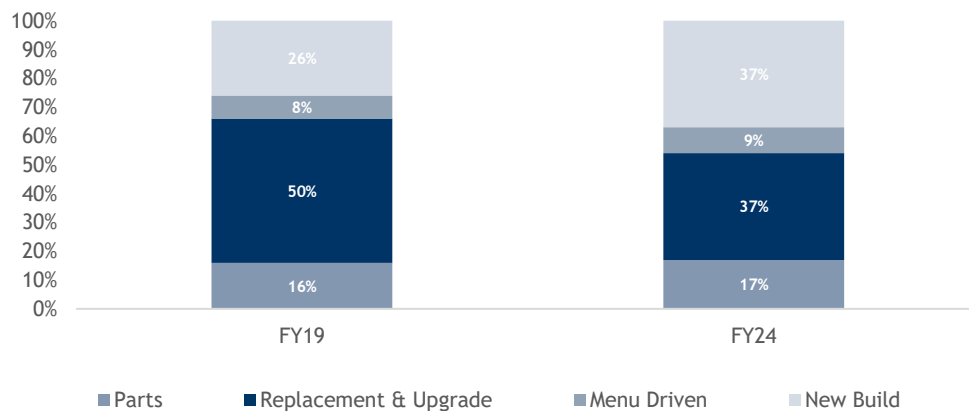
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**CFS Replacement and Upgrade sales are 11% lower in 2024 vs. 2019 which is highly abnormal**

- CFS Replacement and Upgrade sales are **11% lower** in 2024 vs. 2019, having shrunk from 50% to 37% of sales, which is **very abnormal**

## Temporary mix-shift away from Recurring Replacement Revenue



- These Replacement and Upgrade sales represent **stable recurring revenue** from MIDD's large installed base, as equipment often gets replaced on a 5-7 year time horizon
- We estimate that deferred replacement sales are ~\$800m, or around 1/3 of 2024 CFS sales

replacement was historically half the demand that we would normally see probably in the [pre-Covid]... I do think you'll...see...replacement business uptick...higher than the new build mix  
- MIDD CEO, Q1'23 Earnings Call

[North America is] basically a replacement market, which also adds to stability, **60% of the turnover made there...is really on replacement**- Welbilt CEO, Sep 2016 Conference

So I think if you go back and historically look at a "normal year", of course, usually about half of our orders are coming from replacement...**usually being 50% on replacement.**" - MIDD COO, Q4'21 Earnings Call

# Investment Thesis 1

The market mistimes the return of MIDD's CFS high-quality defensive organic growth back to normalized levels

## Deferred remodels and purchases have come to an end and operators must now restart deferred remodels

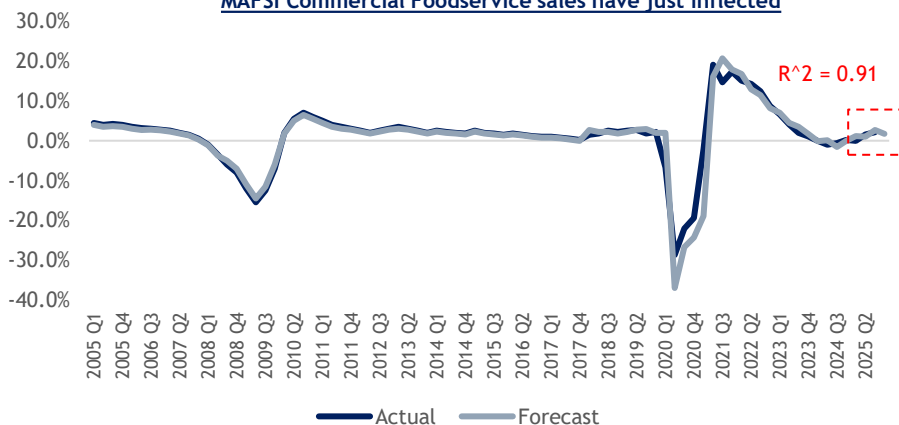
- Commercial kitchen equipment typically has a 5-7 year replacement cycle, with a 7 year baseline. With the deferral of this cycle repeatedly since 2016, due to deferrals from COVID, supply chain issues, and tariffs, there is a large backlog of aging equipment, driving replacement demand as **restaurant operator equipment is now at its limit, stretching to 10 years.**
- The industry is at **an inflection point** for a few reasons:
  - The large installed base from the 2012-2016 growth cycle has now reached the very tail end of it's life
  - Repair costs have risen to >50% of replacement costs, the "holy grail" for the commercial foodservice industry, as it's a level where most operators choose to replace equipment rather than repair
  - Green shoots are occurring now: industry data has shown **an early inflection in the last 2 quarters**, with the first positive growth after 15 months of negative growth
- We've seen similar examples in the 2011-2014 HVAC replacement wave- we believe that the CFS industry, with it's demand inflection after a deferred replacement cycle, will be no different
- This leads to **organic revenue growth coming forward earlier than expected**

I think we are going to have to come to an inflection point. You do have a...large base of existing equipment that does need to be upgraded. It is more and more expensive to repair the equipment. And ultimately, if you lead to a place where you cannot serve food because your equipment is down, it's **just going to push more and more towards a replacement period.**" - MIDD CCO, Q2'25 Earnings Call

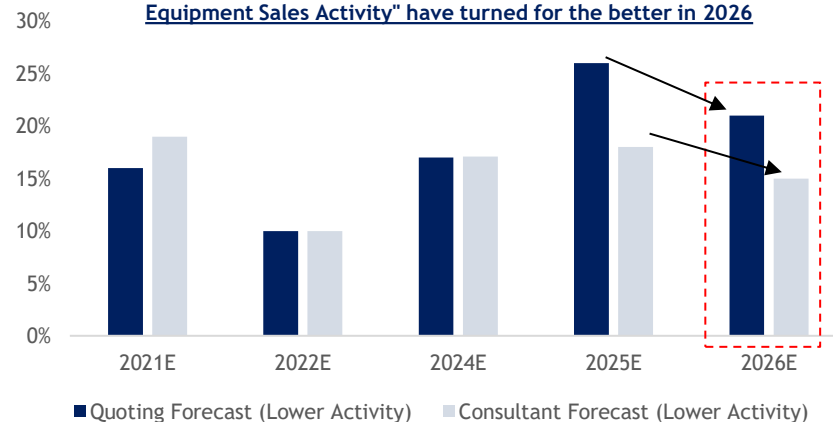
"I see the replacement cycle coming now. I was at a franchisee convention in Vegas where lots of franchisees talked about how they had **just kicked the can down the road**" - Franchisee, Fairfield County Wendy's

"All those chains that have been deferring stuff for years are now at a point that they're absolutely going to need to spend this money." - President, restaurant equipment supplier

MAFSI Commercial Foodservice sales have just inflected



MAFSI Quoting and Consultant Forecasts for "Less Foodservice Equipment Sales Activity" have turned for the better in 2026



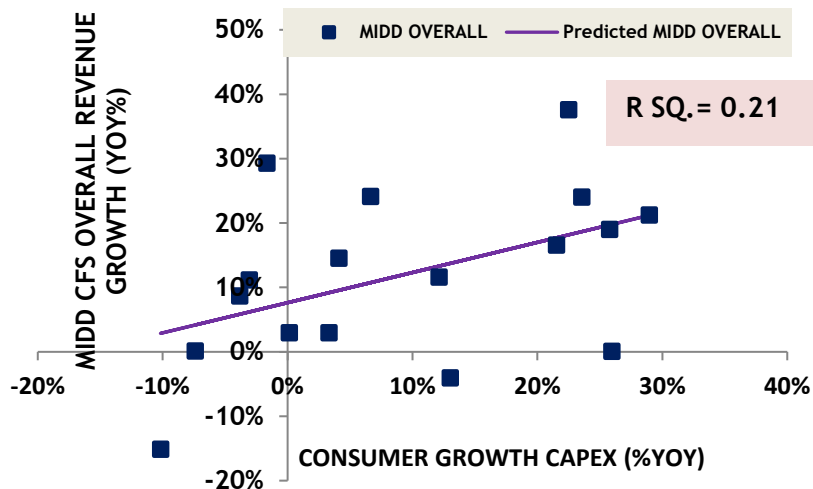
# Investment Thesis 1

The market overreacts to traffic and unit growth fears - MIDD's customers are still investing, keeping demand strong

## MIDD's CFS revenue is far more resilient than just QSR new build

- MIDD is still mistaken by consensus as a new-build levered QSR supplier
- Analysing customer new build capex, we see that MIDD's benefits and costs are **shielded from the volatility** of QSR capex
  - MIDD acts like a restaurant annuity for QSR new build capex
  - Statistically, we found a low predictive power of QSR new build capex, with a p-value of .06 that's not statistically significant. This highlights MIDD's resilience and move towards QSR dayparts beyond new-build should funnel uncorrelated growth,

MIDD CFS is far less levered to QSR growth capex than the market thinks

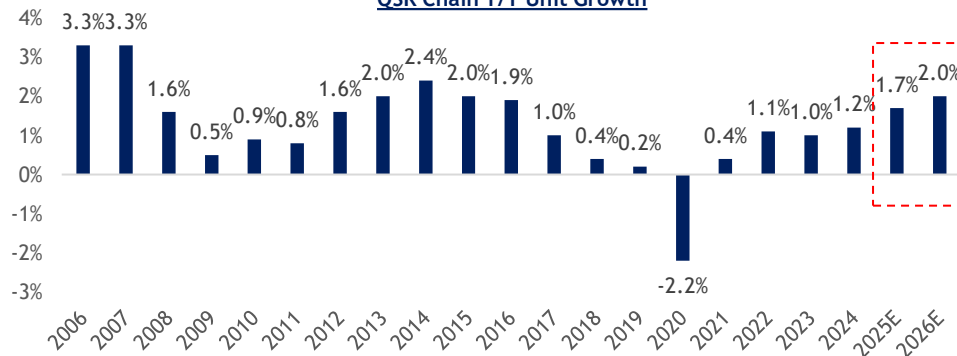


## Restaurants are pushing ahead with investment plans and are actively investing to bring back traffic to stores

- QSR traffic has been negative for 15 months **which is unprecedented** for QSR operators out of Covid
- Hence, restaurants are actively investing to bring back traffic. Promotional intensity has ramped up since Q3'25, with QSR chains now **undergoing a value war**
  - MCD has recently relaunched their Extra Value Meals to win traffic back
- Furthermore, this has not dampened restaurant unit growth expansion, with large QSR units planning to **grow units by 2% in 2026**, vs. 0-2% growth range seen pre-2024, such as initiatives like Burger King's Royal Reset
- This is because new units remain the strongest reinvestment option for most restaurants, while managements across the industry believe that current weakness is cyclical, not structural.

This year, we are on track to open our largest class of company-operated Shacks. And next year, we expect to...**accelerate our rate of new Shack growth** – SHAK Q2'25 Earnings Call

QSR Chain Y/Y Unit Growth



## Investment Thesis 2

Market Mispricing: MIDD is Not a Cyclical New-Build Proxy; Automation Moat Drives Recurring Revenue & Pricing Power

Operators increasingly demand MIDD's automation-focused products

### (1) Headwinds

- Restaurant operators are increasingly focused on higher technology products like automated products that **boost efficiency**, while **reducing costs** like labor and energy, due to crises like California's \$20/hour fast-food minimum wage, and chains like Chipotle redesigning make-lines to boost throughput.

### (2) The MIDD Advantage

- MIDD is **positioned to win this trend** as the industry leader in selling innovative automation-focused equipment
- Invests the most in R&D through both organic R&D investment (\$50m a year) and acquired R&D
- MIDD's management has introduced more new products and innovations in the L3Y than any time in MIDD's history
- They started the industry's only Innovation Kitchens across 3 countries, which have hosted >35,000 customers and feature 150-200 MIDD equipment in the largest IOT Kitchen in the world.
- New orders are likely as MIDD equipment helps customers reduce OpEx through energy-efficient upgrades such as ventless ovens or generate quick paybacks on equipment to alleviate wage pressures.

#### NAFEM 2025 Innovation Awards

- Middleby – **7/24**
- Rational – 1/24
- Illinois Tool Works – 1/24
- Dover – 0/24

Tangible paybacks pave the path to continued MIDD success

At a <2-year payback for equipment, the sales cycle **shortens dramatically**

Illustrative Payback Periods for a Pizzabot making pizzas at Sam's Club are very attractive				
Pre Pizzabot Labor Inputs		Annual Labor Savings	Payback Period (Years)	
Hourly Wage (fully-loaded) (A)	\$18.5	F = A*B*C*D	E/F	
Man hours of pizza prep per person (daily) (B)	5		1.74	
Days per year making pizza (C)	330			
Labor reduction (no. of workers) (D)	3			
PizzaBot Cost (E)	\$159,000			

[Sam's Club café associates] are **overworked and underpaid**. They have an almost constant churn because people see what a trap that position is... - *Sam's Club Employee, 2025*

Sam's Club started using our PizzaBot....they had four people come in every morning to make 400 pizzas. **Now they have 1 person** & the PizzaBot for the same 400 - *MIDD IR, 2025*

"We've been testing TurboChef in the restaurants and slowly expanding them for the past 3 years with very positive feedback from operators...They **cook food much faster** and much more evenly, they put out less heat.... **They save a lot of kitchen space**, which helped with kitchen capacity. They are much easier to clean, and they are **much more reliable than current conveyor-belt ovens**" - *EAT CEO (2025) on MIDD's Turbochef*

"As it relates to equipment....I'd say more efficient and faster. The double-sided grills are now in 10 restaurants....That just enables cooking times to dramatically decrease. So, checking goes **from 12 minutes to 3-4 minutes then it goes from 3-4 minutes to 1 minute**" - *CMG CEO (2023) on MIDD's Double-Sided Grill*

## Investment Thesis 2

Market Mispricing: MIDD is Not a Cyclical New-Build Proxy; Automation Moat Drives Recurring Revenue & Pricing Power

### MIDD's move into agencies like beverages opens new, moat-enhancing customer-aligned growth avenues

Middleby is shifting from an equipment vendor to a connected kitchen-technology platform, unlocking a **larger TAM, deeper customer lock-in, and more durable margins**.

- Ice & Beverage unlocks a ~\$3.5B TAM across ice and cold beverage dispensing, accelerating organic growth, growing overall TAM by 10%
- MIDD currently makes **\$750M revenue** today with **mid-20s EBITDA margin**, which is growing quickly
- Uniquely, MIDD is the **only player** with a unique full-suite capability (ice + frozen + coffee + dispense), raising win rates as customers can buy from a one-stop provider
- This furthers alignment with their customers, through chain restaurant daypart and beverage expansion strategies, further increases lock-in by raising the **installed equipment per unit**

Many restaurant brands and operators now place strategic emphasis on beverage trends to drive profit, said Melissa Mackay, senior vice president of marketing and insights at Westrock Coffee...Beverages are among some of the **few categories that have strong margins and high upsell potential**...Major QSR chains have hopped on the refresher bandwagon, with Taco Bell adding its Refresca platform and Whataburger debuting Whatafreshers. - *QSR Industry Magazine*, July 2025

On beverages, I would just say, obviously, what we've talked about in the past is just the big opportunity that we see in beverages. It's a **really large market opportunity**. It's growing and it's more profitable than food - *McD CEO, Q2'25 Earnings Call*

Let's say you're a global sandwich chain and you're launching a new sandwich. You want the ability to download the cooking protocol for that sandwich to all your restaurants globally. It might be tens of thousands...**Middleby has invested very heavily in that regard and has had some success**"- *Ex Vice-President, Welbilt*

### MIDD's move into agencies like software opens new, moat-enhancing customer-aligned growth avenues

- MIDD's Open Kitchen software IOT platform is the **only solution** offered that connects all equipment in a restaurant on a single cloud-based platforms - embedding automation for customers - it aids customers in monitoring equipment use, food safety and throughput, and customers **see a >50% ROI** in <12 months.
- Open Kitchen has secured four chain rollouts totalling **~\$30mm in sales over LTM**, with connectivity directly translating to market share gains and facilitating maintenance contracts with chain customers, enabling the recurring, higher-margin replacement revenue stream. Higher attach rates give MIDD **more margin stability and additional pricing power**

#### SaaS Rollout

#### Historical Adoption Curve

Year	Estimated Penetration	Units with adoption
2022	3.2%	8,500
2023	3.6%	10,000
2024	5.2%	15,000

#### Current Revenue Estimates (\$)

Yearly Fee	2,400
Estimated Run-Rate Revenue	36,000,000

#### Additional Revenue per Adoption Rate

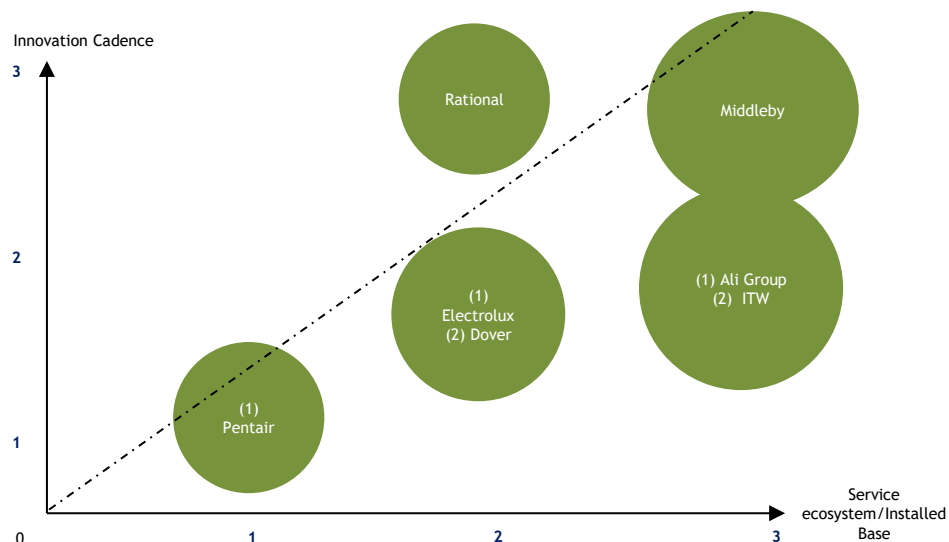
Peer Industries	Restaurant Cloud POS	Trucking Fleet Telematics	Large Manufacturing IOT	Retail RFID
Peer Similar Software Adoption Rate	60%	64%	72%	93%
Projected MIDD Adoption Rate	20%	40%	60%	80%
Additional Revenue per Adoption Rate (\$m)	109	255	401	547



## Investment Thesis 2

Market Mispricing: MIDD is Not a Cyclical New-Build Proxy; Automation Moat Drives Recurring Revenue & Pricing Power

Expanded moat leads to higher customer lock-in and stronger pricing power, leading to more durable revenue growth and margin stability.



- Ranking peers on a commercial foodservice-specific moat map shows **Middleby as the only player** with consistently high scores across innovation, service ecosystem, and scale. Peers cluster in the middle because they lack either the digital platform, the installed-base ecosystem, or the breadth of the product suite
- Middleby's moat expands:** innovation, scale and a deep infrastructure that raises switching costs

"This is why Middleby continues to innovate and drive R&D, continuing to drive innovation in equipment. Once you are positioned in the eyes of the **end user as a solution to their problem, the price is no longer an issue**  
" - Expert Call with Former MIDD President (2025)



## Investment Thesis 3

The market underappreciates the **power of a proven activist** guiding management to enter a new capital allocation era, leading to accelerated cheap buybacks, better incentives, and a return to focus, deserving a rerating

### Activist Ed Garden has joined the board, catalyzing a step-change in capital allocation philosophy

#### 2024 Management Incentive Plan

- 50% Adj EPS (PSU)
- 50% Adj. EV growth (PSU)
- EBITDA & EBITDA % (Annual bonus)

#### 2025 New Mgmt Incentive Plan

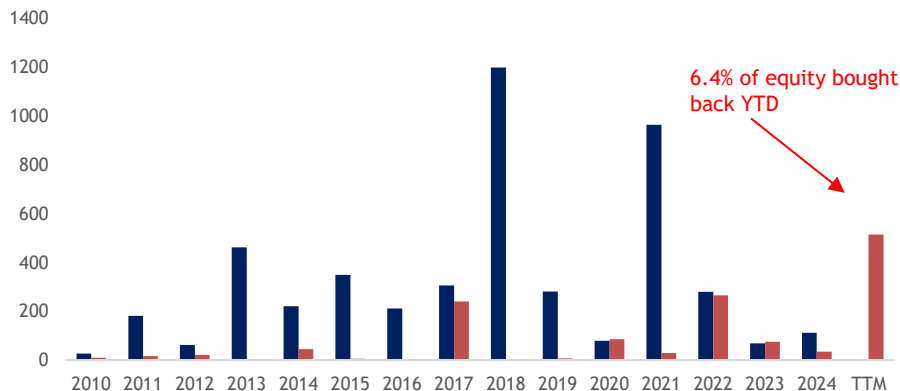
- Adj EPS (PSU)
- TSR (PSU)
- ROIC (PSU)
- EBITDA & EBITDA % (Annual bonus)

- Ed Garden's Garden Investments made its first public position in MIDD (~6.5% of the stock). Ed is a new comp committee member and has added TSR and ROIC to management's long term incentive compensation, something that they never had before.
- Middleby have since committed to shift away from M&A and towards 6%-8% annual buybacks.

Management were paid to grow EBITDA, and **that's what they did!.**" - Call with Brian Jacoby, Garden Investments, Oct 25

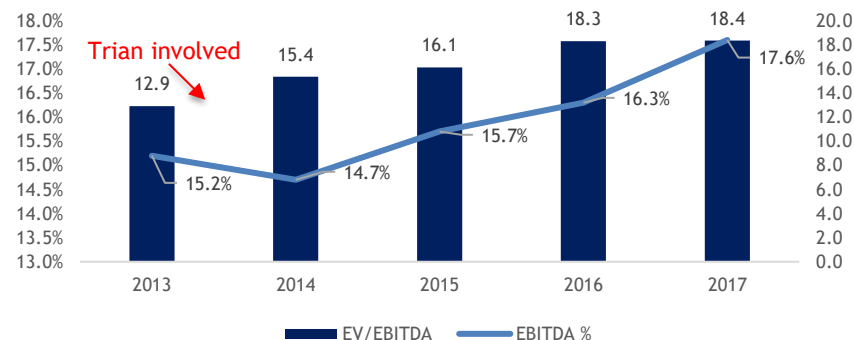
#### Acquisition vs Buyback \$m

■ Acq Spend ■ Buybacks

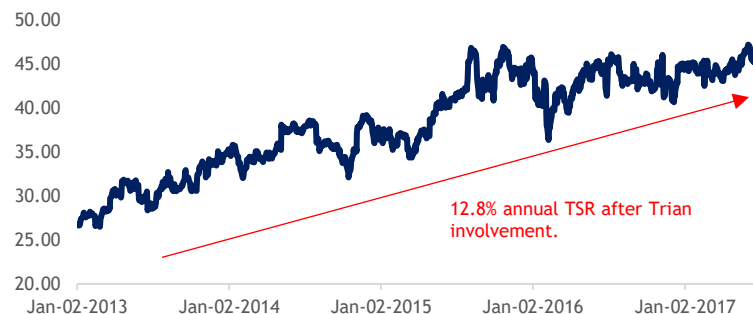


### Similar experience at firms like MDLZ, WEN increase conviction

- We believe Ed Garden & Brian Jacoby (Ex-Trian) will emulate the playbook Trian used on MDLZ and WEN (*mentioned by Ed in a 2023 podcast*) to divest un-profitable segments (*in-progress*), cut SKU's and increase TSR - in effect, to Pareto everything



- This caused MDLZ shares to CAGR at ~13% for the 4 years after Trian entered.



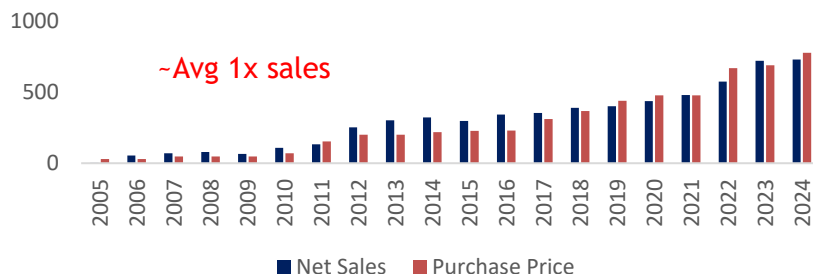
# Investment Thesis 3

## Activist unlock crystallising portfolio focus and value

### Planned FP spin to deliver strong shareholder value

- Food Processing M&A has been the most successful out of the segments (**acquiring \$187m of EBITDA for \$778m or 4x**) with the strongest pipeline on a go forward basis, hence the spin-off
- The FP segment has matured into a robust platform that **demonstrates best-in-class margins** versus public peers but suffers from a conglomerate discount. A spin-off will help unlock value

#### Food Processing Purchase Price & Sales \$m



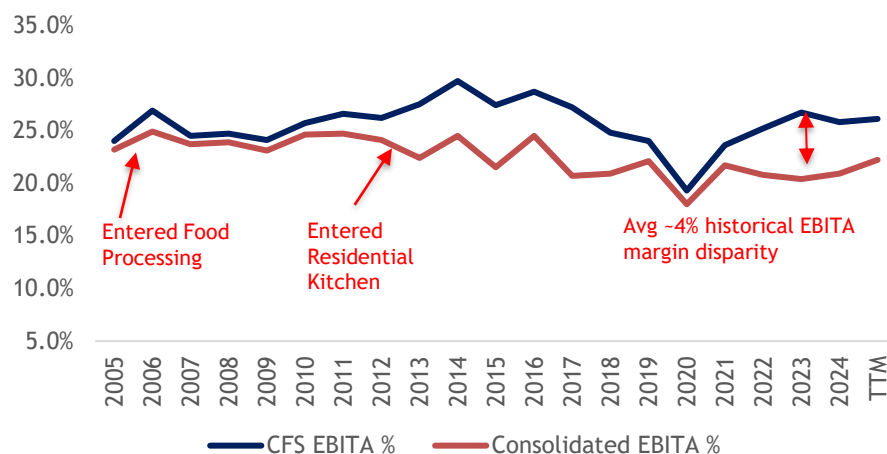
- Based on Food Processing high margin profile vs peers, robust growth outlook and large M&A pipeline we think a 12x EBITDA is a fair multiple, 3x above 9x EV/EBITDA MIDD sits at today

#### Food Processing Peers (\$M)

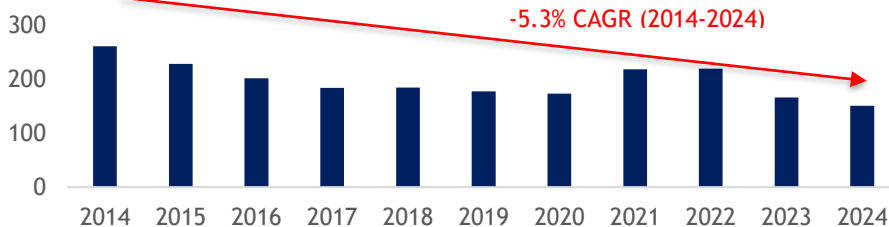
Ticker	Mkt Cap	EV/2025E EBITDA	2025E EBITDA %
G1A	11,732	11.2	16.2%
JBT	7,447	15.7	15.9%
<b>Average</b>		<b>13.5</b>	<b>16.1%</b>
FP		12x	23%

### As of Q3 25 management have committed to simplification with removal of RK & FP

- A return to a RemainCo CFS will optically improve margins that are masked by the cyclical residential kitchen segment



#### Residential Kitchen Organic Sales \$m



- Despite \$1.3bn in acquisition spend (**for \$74m of Adj EBITDA - 16x**) Residential Kitchen has CAGR'd at -5.3% over the last decade - a key loss of focus and capital from the **higher quality CFS segment**

# Valuation 1 - Model Upside

DCF Model shows 35% upside with 3x upside/downside, leading to strong risk-reward ratio


## DCF Valuation shows clear upside

	EV/EBITDA	Return	Weight	Ret. x Weight	Weighted Ret.
Bear	8x	-27%	25%	-7%	+35% Price Target: US \$154
Base	11x	41%	50%	20%	
Bull	14x	86%	25%	22%	


Exit EV/EBITDA	WACC					
		7%	8%	9%	10%	11%
	9 x	20.8%	19.0%	17.2%	15.5%	13.8%
	10 x	30.9%	28.9%	27.0%	25.1%	23.2%
	11 x	41.0%	38.8%	36.7%	34.7%	32.7%
	12 x	51.1%	48.8%	46.5%	44.3%	42.1%
	13 x	61.2%	58.7%	56.2%	53.9%	51.5%

### Good Risk/Reward


3x Upside/Downside  
Limited downside and trading at a large discount to private market value and peers

 **50% Base**

Assumes the spin-off of RK & FP and a strong kickstarted replacement cycle in 2026

 **25% Bull**

Bull case prices in additional contribution from innovation and market share tailwinds fetching a higher multiple.

 **25% Bear**

Limited downside to Covid multiples from today. Downside is based on further deferred capex by the industry.

## Clear Upside on Forward EV/EBITDA

Valuation Summary: 2026 NTM EV/EBITDA			
	Bear Case	Base Case	Bull Case
2027 EBITDA (\$M)	611	767	888
NTM EV/EBITDA Multiple	8 x	11 x	14 x
<b>Total Enterprise Value (\$M)</b>	<b>4,886.57</b>	<b>8,438.35</b>	<b>12,431.64</b>
(+) Spun-off FP Stake	1,701.07	2,041.28	2,041.28
(+) JV RK Stake	221.74	295.65	332.61
(-) Net Debt (\$M)	(1,771)	(1,771)	(1,771)
<b>Total Equity Value (\$M)</b>	<b>5,038.08</b>	<b>9,003.99</b>	<b>13,034.23</b>
(/) Shares Outstanding (M)	50.4	50.4	50.4
<b>Target Price</b>	<b>99.96</b>	<b>178.65</b>	<b>258.62</b>
Upside / (Downside)	-12.3%	56.7%	126.9%
Probability	35%	50%	15%
<b>Weighted Return</b>		<b>43%</b>	

### Exit Multiples

#### Bear - 8x EV/EBITDA

Assuming the market ignores the buybacks and punishes MIDD for flat growth

#### Base - 11x EV/EBITDA

11x falls short of the 14x avg MIDD trades historically but we see this as fair for LSD-MSD organic growth %

#### Bull - 14x EV/EBITDA

14x marks MIDD's pre-Covid average multiple during its highest growth and aligns with precedent CFS transactions.

# Valuation 1 - Operating Model

Double-clicking on assumptions

Key Drivers show clear conservatism and clear divergence from consensus

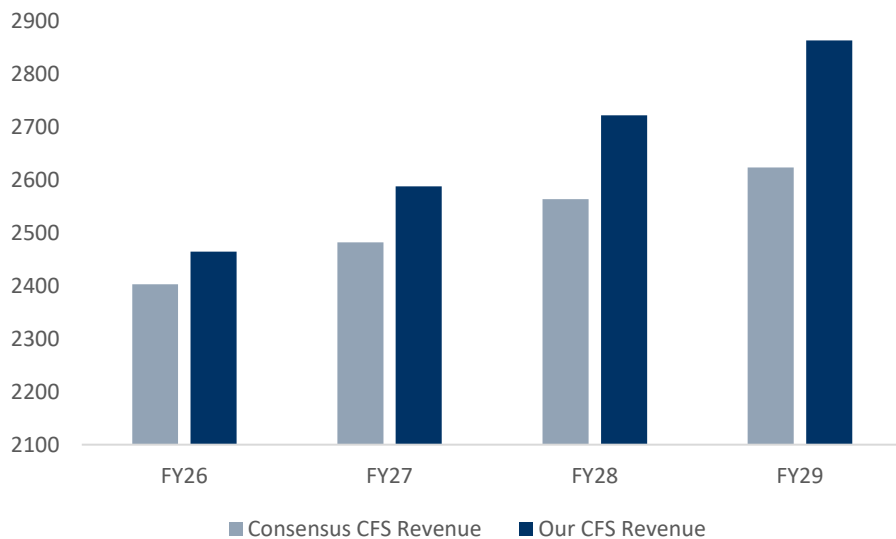
Case	Cons.	Hist.	Bear	Base	Bull	Commentary
<b>Revenue CAGR</b>	2.90%	7.8%	1.7%	4.8%	5.6%	<b>Bear</b> Slow to no growth as RK struggles and FP organic growth flatlines <b>Base</b> FP continues organic growth and RK bounces from trough <b>Bull</b> Pent up demand from CFS along with growth in FP & RK
<b>CFS Revenue CAGR</b>	3.10%	2.2%	-0.2%	5.0%	6.4%	<b>Bear</b> Slow to no growth as QSRs continue to push costs to the right <b>Base</b> Deferred capex flows to MSD organic growth % <b>Bull</b> Pent up demand plus tailwinds from innovation & beverage segments aid stronger MSD % growth.
<b>EBITDA Margin</b>	21.20%	21.3%	22.0%	27.6%	28.4%	<b>Bear</b> MIDD struggle to find an outcome from RK's strategic review. <b>Base</b> Both FP & RK are spun off/sold and margins return to CFS RemainCo levels. <b>Bull</b> CFS margins step up as mgmt. focuses on higher margin brands.
<b>FCF Conversion</b>	59.30%	64%	58.8%	59.1%	59.2%	<b>Bear</b> Cyclical RK slightly pulls down consolidated FCF conversation. <b>Base</b> Higher FCF conversion from stable RK or RK spin-off. <b>Bull</b> Higher FCF conversion from stronger margin mix shift in CFS.
<b>ROIC</b>		12.9%	17.0%	24.4%	25.2%	<b>Bear</b> Weaker ROIC as RK's drag is embedded in IC base. <b>Base</b> ROIC structurally steps up as assets are removed from FP & RK Spin-off. <b>Bull</b> Higher ROIC as CFS inflects along with new optical change.

# Valuation 1 - DCF Model

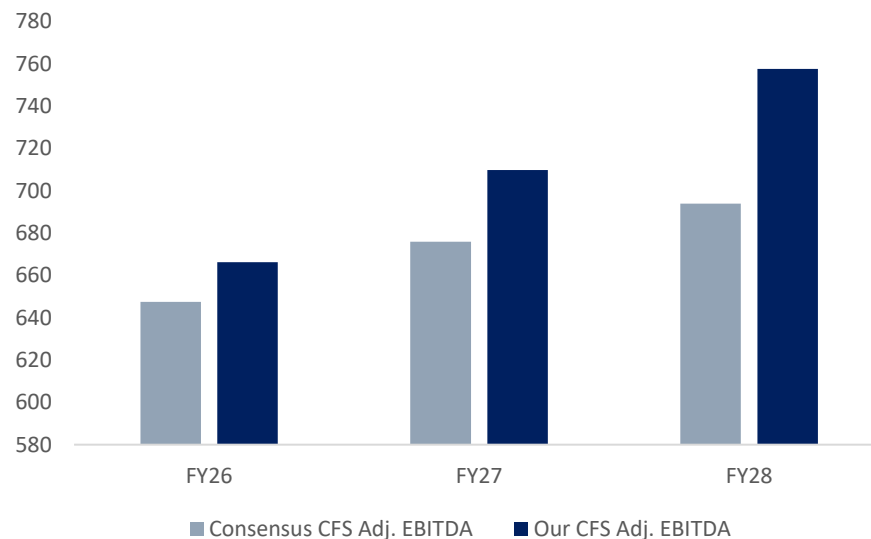
## Financials vs Consensus

Forecast vs. Consensus (Base Case) shows clear differentiation

CFS Revenue Differentiation vs Consensus



CFS Adj. EBITDA Differentiation vs Consensus



- We are clearly ahead of consensus on both Revenue and Adj. EBITDA for CFS, driving the valuation uptick
- Key to our differentiation is the:
  - Deferred replacement cycle, generating about **50% of the incremental revenue**, a conservative estimate giving the size of the opportunity
  - Unit growth from customers, generating about **10% of the incremental revenue**
  - Secular growth due to innovation and beverages, generating about **40% of incremental revenue** and adding to **EBITDA margin expansion**
- Beyond our financial differentiation, the activist presence and improved focus and capital allocation **raises conviction** in the probability skew of achieving our estimates

## Valuation 2 - SOTP Math

### Clear upside from SOTP Math and Precedent Transactions

#### SOTP returns of 61.6% give strong upside and further conviction

MIDD Valuation	Commercial Foodservice	Food Processing	Residential Kitchen	Corp Costs
Est. FY26 EBITDA	666	180	84	(72)
Multiple	14.5x	10.0x	6.0x	11.0x
Enterprise Value	9,660	1,795	503	(789)
Consolidated EV	11,169			
(-) Debt	(2,067)			
(+) Cash	175			
Equity Value	9,277			
Shares Outs.	50.4			
Imp Price	184			
Today's Price	114			
Upside	61.6%			

- The \$184 price target on our SOTP analysis reflects a blended multiple of 13x EV/EBITDA, as MIDD finishes FY26 with entirely reset investor expectations and capital allocation. The 14.5x CFS multiple is still below peers ITW and Dover (15-18x), while RK is valued below peer WHR.
- We apply a 11x EBITDA multiple to corporate costs, in line with our operating model base case
- Our 61.6% return has higher upside than our operating model, giving us further conviction

#### Sensitivity Analysis on SOTP + Precedent Transactions show conservatism

FY26E CFS EV/EBITDA Multiple

	10.5x	11.5x	12.5x	13.5x	14.5x	
10 x	16.2%	27.9%	39.6%	51.3%	63.0%	6 x
11 x	20.8%	32.5%	44.2%	55.9%	67.6%	7 x
12 x	25.4%	37.1%	48.8%	60.5%	72.2%	8 x
13 x	30.0%	41.7%	53.5%	65.2%	76.9%	9 x
14 x	34.7%	46.4%	58.1%	69.8%	81.5%	10 x

Target Company	Buyer	Announcement Date	EV/EBITDA LTM
Enodis	Manitowoc	Apr-08	12.0x
WMF Group	Groupe SEB	May-16	16.2x
Key Technology	Duravant	Jan-18	13.4x
Taylor	Middleby	May-18	13.1x
ProSeal	JBT	Apr-19	17.4x
De'Longhi	De'Longhi	Mar-21	12.5x
Welbilt	Ali Group	Jul-21	17.5x
Mean			14.6x
Median			13.4x

# Valuation 3 - Comparables Table

Clear upside from SOTP Math

Comparables show clear upside

Company Comparables		Market Data (\$M)			P/E		EV/EBITDA		EBITDA %	Adj. ROIC	Revenue	EPS	EV/IC
Company	Ticker	Price	Mkt Cap	EV	2025E	2026E	2025E	2026E	3Yr avg	3Yr avg	FWRD 2Y CAGR	FWRD 2Y CAGR	2025E
Middleby Corp (Consensus)	MIDD	113	5,762	7,680	13.0	12.7	9.2	9.2	21.2%	16.9%	3.1%	7.8%	1.4
<b>CFS Comparables</b>													
Illinois Tool Works	ITW	241	70,033	78,052	21.9	23.1	16.8	16.0	27.7%	25.8%	3.5%	7.8%	7.5
Rational	RAA	608	6,907	6,424	26.4	27.8	17.5	16.9	26.1%	26.5%	7.4%	7.7%	16.7
Dover Corporation	DOV	180.5	24,694	26,213	17.4	18.8	14.1	14.2	20.6%	15.8%	5.0%	8.8%	3.2
Median					21.9	23.1	16.8	16.0	26%	26%	5%	8%	9.1
<b>Food Processing Comparables</b>													
JBT Marel Corp	JBT	113	7,055	8,849	20.3	17.3	14.8	13.0	14.8%	13.3%	5.2%	11.0%	5.5
GEA Group	G1A	57.7	9,394	9,324	18.1	19.7	11.8	10.3	12.0%	13.3%	5.2%	24.0%	4.5
Median					19.2	18.5	13.3	11.7	13%	13%	5%	18%	5.0
<b>Residential Kitchen Comparables</b>													
Whirlpool Corp	WHR	66.53	3,929	11,434	10.2	9.5	9.8	10.0	9.3%	11.1%	2.0%	17.0%	1.3
AB Electrolux	ELUX B	53.94	14,632	46,535	16.3	7.1	4.7	7.0	3.9%	4.7%	2.3%		6.4
Median					13.2	8.3	7.2	8.5	7%	8%	2%	17%	3.8

## Rationale for Multiple Re-Rating:

1

**Similar EBITDA margins (CFS standalone)**  
26% CFS margins vs. 21% with RK included (soon to be spun-off)

2

**Comparable forward revenue growth (whole business)**  
Despite being dragged down by RK under consensus, MIDD has comparable growth

3

**Sheer cheapness**  
MIDD is far cheaper than all peers, an unwarrantedly high valuation discount, trading like a RK company despite <10% of EBITDA from RK

## Event Path and Catalysts



We believe that MIDD can hit our target price by the end of this event path, beating on Revenue, EBITDA, Free Cash Flow, and the **cleaner, re-focused company with more growth** demanding a better valuation



## Risks and Mitigants

### Risks

#### Tariff and Input Cost Headwinds



Management estimates an annual tariff headwind of \$150-\$200m and 100 bps. margin drag

#### End-Market and Macro Softness



CFS demand remains soft as restaurant weakness drags on far longer than the industry expects

#### Spin-off Execution Complexity



Planned 1H26 spin-off of FP with a history of serial M&A creates operational distraction and potential “integration fatigue”

#### Residential Segment Drag



Segment may continue to lag and management may continue to ill-advisedly do RK M&A

### Mitigants

- Management have guided to fully offset tariffs by early FY26 through pricing power and supply-chain adjustments
- MIDD is far less affected by peers who have more manufacturing footprint of out the US, and have had to take 15-20% price increases compared to MIDD’s MSD price increase
- Pent-up replacement cycle cannot be deferred indefinitely as ovens and fryers are mission-critical, enforcing a recurring revenue floor
- Institutional and dealer demand remains robust
- Labor automation (Thesis 2) also drives further demand, especially in weak traffic, to boost operator margins
- Involvement of Garden Investments and new board appointments ensures strict capital discipline and focus on shareholder value during the transition
- Net leverage is moderate at 2.3x, providing balance sheet flexibility to navigate the separation without financial distress.
- The segment is currently under active strategic review, making a sale or separation a likely catalyst rather than a permanent drag.
- Residential only accounts for ~10% of total EBITDA, containing the drag on the aggregate valuation.
- Activist (Garden) pushing for portfolio optimization and capital discipline, reducing probability of similar folly

1. Primary Research
  1. Appendix 1: Value Added Research
  2. Appendix 2: Boots on the Ground
  3. Appendix 3 + 4: Selected Expert Call Quotes
  4. Appendix 5: AI Governance Analysis
2. Valuation
  1. Appendix 6: Valuation Multiples
  2. Appendix 7: Valuation 4: EV/IC vs. Adj. ROIC
  3. Appendix 8: Valuation 5: EV/IC vs. Adj. ROIC (History)
3. Historical Analogues
  1. Appendix 9: Replacement Cycle Analogues
  2. Appendix 10: Dover Corp Analogue
4. CFS, an overview
  1. Appendix 11: CFS - An Overview
  2. Appendix 12: Deferred Capex
  3. Appendix 13: CFS compared to the industry
5. It's all about People
  1. Appendix 14: Shareholder Base
  2. Appendix 15: Management Team
  3. Appendix 16: Garden Investments Deep Dive
  4. Appendix 17: Hiring of Rebecca Ellin
6. RK and FP, an overview
  1. Appendix 18: FP Industry Deep Dive
  2. Appendix 19: RK Industry Deep Dive
7. Stock Performance and Historical Performance
  1. Appendix 20: Deep Dive into Stock Price and Relative Underperformance
  2. Appendix 21: Historical per-Segment Growth
  3. Appendix 22: Historical Revenue and EBITDA (pre-GFC)
  4. Appendix 23: Capital Allocation over time
  5. Appendix 24: Historical ROTA
  6. Appendix 25: Suppression of Margins
  7. Appendix 26: MIDD Adj. ROIC vs ITW and Rational
8. MIDD M&A Track Record
  1. Appendix 27: MIDD Capital Allocation Change
  2. Appendix 28: MIDD M&A Track Record
  3. Appendix 29: MIDD FP M&A Track Record
  4. Appendix 30: MIDD M&A Improvements
9. Industry Data
  1. Appendix 31: Restaurant industry chains
  2. Appendix 32: Unit growth deep dive
  3. Appendix 33: Unit Growth - Public Company Analysis
  4. Appendix 34: Industry overview - CFS
10. Tariffs
  1. Appendix 35: Wayback Machine Tariff Analysis
  2. Appendix 36: SKU Gallery

## Appendix 1

### Value-Added Research

#### Expert Interviews

- Multiple expert interviews with peers (e.g. Hoshizaki America), dealers, and QSR customers
- Call with Brian Jacoby, Partner, Garden Investments

#### Channel Checks

- Channel checks at 4 QSR stores to determine equipment switching costs and check on the equipment deferral cycle
- Channel checks with 3 dealers to check on the equipment deferral cycle

#### Media

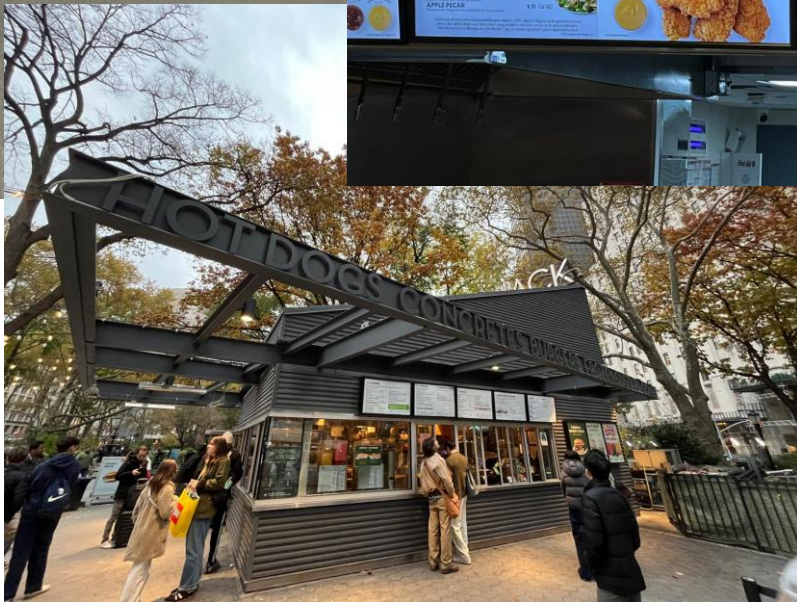
- Podcast featuring Ed Garden, Garden Investments
- Youtube videos of MIDD at NAFEM and various events
- Youtube videos demonstrating MIDD products like Turbochef

#### AI

- Coded proprietary AI governance tool to evaluate governance changes compared to large peer set

# Appendix 2

## Boots on the Ground



## Appendix 3

### Selected Expert Call Quotes

#### Innovation

So, let's talk first about [fully] connected equipment, one way where equipment provides information to something. So at this point, for large customers, McDonald's, guys like that, is price of entry. **Any new fryer, any new grill, any new refrigerator going forward, they will want a controller on that piece of equipment that will provide that** [benefit for them]. To be honest, that's already done, any credible supplier out there. - *Former VP at Welbilt*

Yes. I think both the Welbilt companies and the Middleby companies are ahead of the curve or they are the curve. I could go through every single one. There's exceptions in that. - *Former VP at Welbilt*

Middleby with their MIK kitchen in Dallas. It's a place where any chain operator can go into this beautiful facility and cook on 50 different pieces of cooking equipment. They've got the ice machines there if they want to look at that, they've got any of their products, they've got chefs working on things. **It's an impressive facility for people to come see the whole scale of what they're doing**- *Former Director, National Accounts at ITW Food Equipment*

While Middleby did this smart step, Scott's moving this technology to all the Middleby brand. In one catalog of Middleby Ventless, you find 10 products of Middleby that are put together. Now with the ghost kitchens, you have the kitchen connect. I'm sure you know Welbilt is also now working on it. **Middleby was actually the innovative scene behind it.** You see everything being connected digitally through one software. It's a ghost kitchen and it's all connected together through one software where you can actually monitor, let's say, how much oil your fryer needs, what is the time that you need to refill anything you have under the ingredients. It's a whole different world. It's like you are hiring software developers working with the executive chefs to have your oven come in with preset recipes and these preset recipes technically are taking over the education of the chef just like the ATM takes over the cashier's, the banker's, the teller's job for going into this route, by the way. - *Former VP at Middleby*

Middleby is doing good things. I see within their companies they are very innovation-focused. They are listening to the market. They are responding to the market. The market is saying, "We need this," and Middleby is developing it, I think, far ahead of a lot of other companies...I think Welbilt at this point in time is behind Middleby in terms of innovation. I think in the last decade, Welbilt has been a, "Look, we can do that too," company - *Former Vice President of Sales and Marketing at Wood Stone Corporation*

"[IOT/Software]... I think that **they're [Middleby] probably the one that could pull it off**...overall, I feel like they're the ones that are most committed to it."-*Ex Vice-President, Key Accounts, Rational AG*

"IOT adoption is coming; there's more benefit for an ice machine than for refrigeration. **Middleby is ahead of the curve.**"- *Former Product Manager, Hoshizaki America, 2025*



## Appendix 4

### Selected Expert Call Quotes

#### Innovation and Replacement Cycle

I'm sure it's not a lack of innovation because, when you look at the last three or four industry shows like NRA or NAFEM, **Middleby won probably more than half of the new innovation awards, Kitchen Innovation Awards.** - *Former President at Middleby*

What Middleby does exceptionally well is the customer side of things. You can't understate the value of their innovation kitchen in Dallas. It's the only one in the industry, and none of their competitors have anything like it, especially with the people who run it. The experiential nature of the whole thing is a really strong selling tool to the end user. This sets them completely apart from their competition. - *President at Trimark*

"If I had an oven where I was teetering and like, well, maybe I'll do it, all of a sudden, we're looking at flat line sales and everything else to kind of get a little more expenses, so well, maybe we do, do that mix that you were teetering on replace or repair, **now all of a sudden, that equation changes**- *Owner and Operator, 3 PZZA Franchises*

More broadly, just as an overall industry trend, anything that is automation and anything that helps get the \$15 an hour minimum wage labor out of the kitchen. - *President of Restaurant Equipment World*

When you look at what a lot of establishments consider a refresh cycle, it's about five to seven years. . - *President of Restaurant Equipment World*

Restaurant franchise challenges include labor turnover that is often 100% or higher, dealing with high school and college kids who may not show up consistently,. - *Patrick Buckley, Partner at FranDawgs and founder of The Wolf of Franchises*

## Appendix 5

### AI Governance Analysis

- We developed a proprietary AI tool that helps to analyse governance changes in public companies by looking at recent filings such as 8-Ks and proxy statements, and aggregating it across large amounts of data to make evaluations on the quality of governance
- Our tool flagged that **MIDD** is increasingly well-positioned on governance, especially compared to some industrial machinery peers.

Company	Governance Rating	Improvement/Worsening	Use of ROIC as Compensation Metric	Presence of Extensive Governance Red Flags
MIDD	Strong	✓	Yes, newly added	Minimal
TTC	Strong	✓	Yes, newly added	Minimal
TKR	Mixed	✗	Yes	Extensive
DCI	Mixed	=	No	Moderately Extensive
GTLS	Mixed	✗	Yes	Extensive
CNH	Mixed	=	Yes	Mild
GGG	Mixed	=	No	Mild
LECO	Mixed	✗	No, removing ROIC	Moderately Extensive
ESAB	Strong	✓	No	Minimal

#### EXECUTIVE SUMMARY OF KEY GOVERNANCE FINDINGS:

- **Strong Pay-for-Performance Alignment:** The company demonstrates robust alignment between executive pay and performance. The CEO's total compensation decreased by 10.8% in fiscal 2024, driven by an 85.6% reduction in the annual cash bonus due to missed EBITDA targets. Similarly, the 2022-2024 long-term incentive plan paid out below target (87%) due to a negative Total Shareholder Return (TSR) modifier, in stark contrast to the above-target payout for the prior performance period.
- **Activist-Driven Strategic and Governance Changes:** A recent Cooperation Agreement with activist investor Garden Investment Management, L.P. has catalyzed significant change. This includes the appointment of activist Ed Garden to the Board and, notably, the Compensation Committee. Concurrent with this agreement, the company announced a major strategic pivot: the planned spin-off of its Food Processing business, signaling a direct response to shareholder pressure for value creation.
- **Significant Board Refreshment:** The Board has undergone substantial refreshment, significantly reducing average director tenure from approximately 11.3 years to 6.4 years. This was driven by the retirement of a 46-year tenured director and the appointment of four new independent directors since the start of 2024, including two appointed as part of the activist settlement.
- **Persistent Governance Weaknesses:** Despite positive compensation practices, structural governance weaknesses remain. Shareholder rights appear limited, with no mention of proxy access or the ability for shareholders to call special meetings or act by written consent. Additionally, the timing of annual equity grants for the CEO has been variable year-over-year (August vs. May), creating a potential risk for opportunistic grant timing.

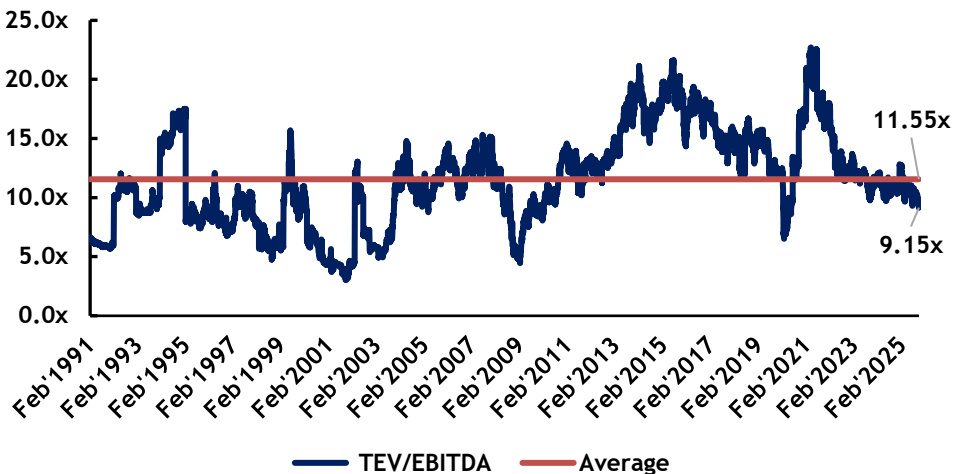
#### IV. Overall Conclusion from Proxy Comparison

- **Improved:** Governance practices, particularly around board composition and pay-for-performance, have improved.
  - **Board Refreshment:** The retirement of a long-tenured director and the addition of four new independent directors since early 2024 has significantly reduced the average board tenure and brought fresh perspectives to key committees, including Compensation and Audit.
  - **Strong Pay-for-Performance:** The compensation program has proven its effectiveness by substantially reducing CEO and NEO cash bonuses in a year of underperformance and by applying a negative TSR modifier to reduce LTI payouts, demonstrating strong alignment with shareholder interests.
  - **Stable (Negative):** Key structural weaknesses persist. Shareholder rights remain poor, with no apparent ability to call special meetings, act by written consent, or utilize proxy access. The variable timing of LTI grants remains a potential risk.
  - **Overall:** The tangible improvements in board composition and the demonstrated rigor of the pay-for-performance framework outweigh the persistent structural weaknesses, leading to a conclusion of overall improvement in governance and shareholder alignment over the past year.

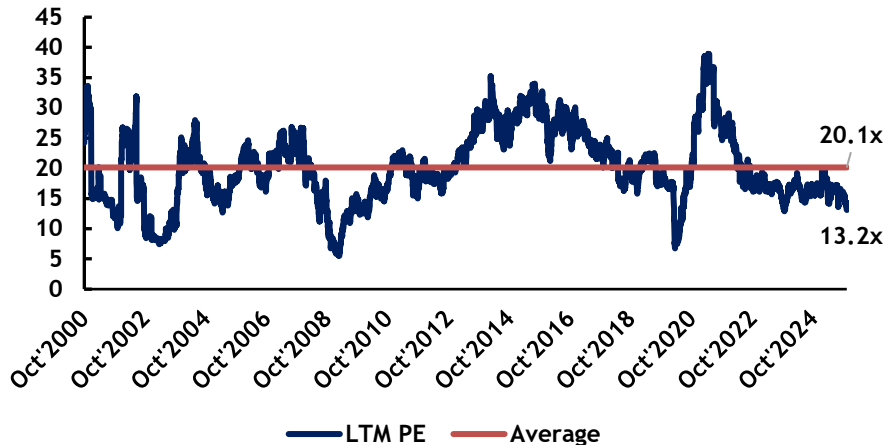
# Appendix 6

## Valuation Multiples

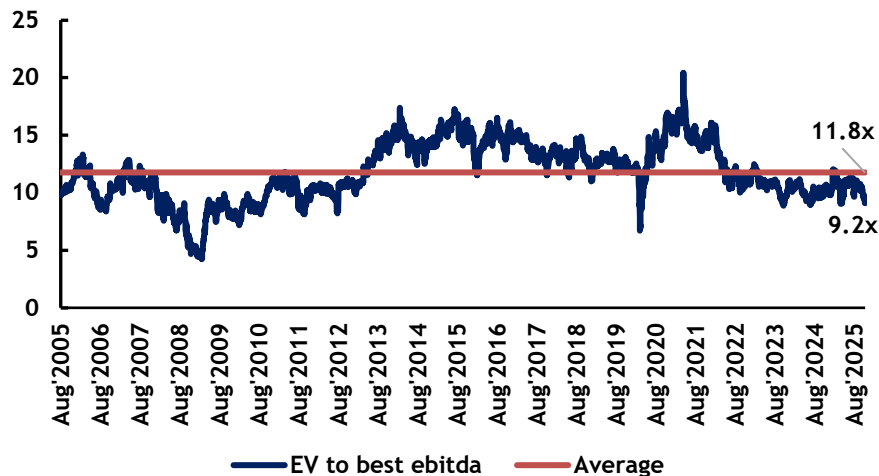
LTM EV EBITDA



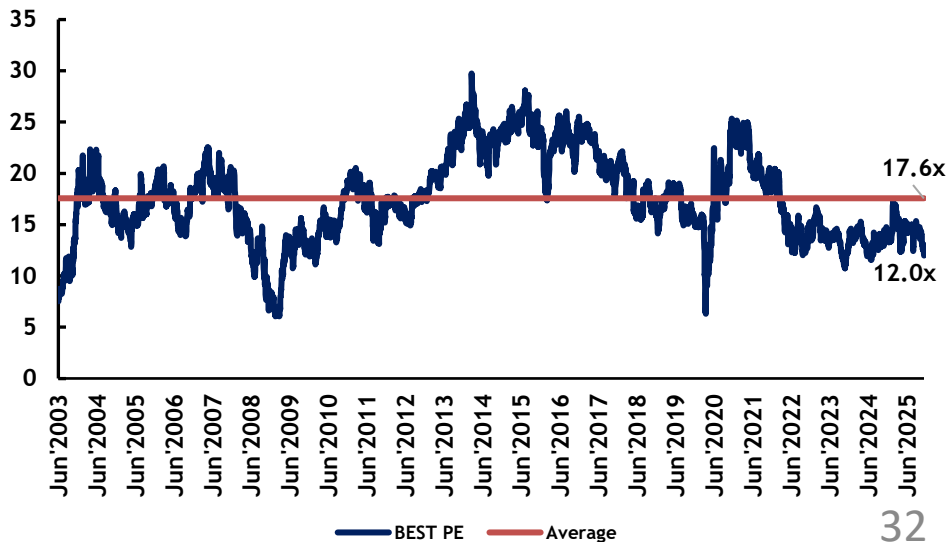
LTM PE Ratio



NTM EV/EBITDA



NTM PE

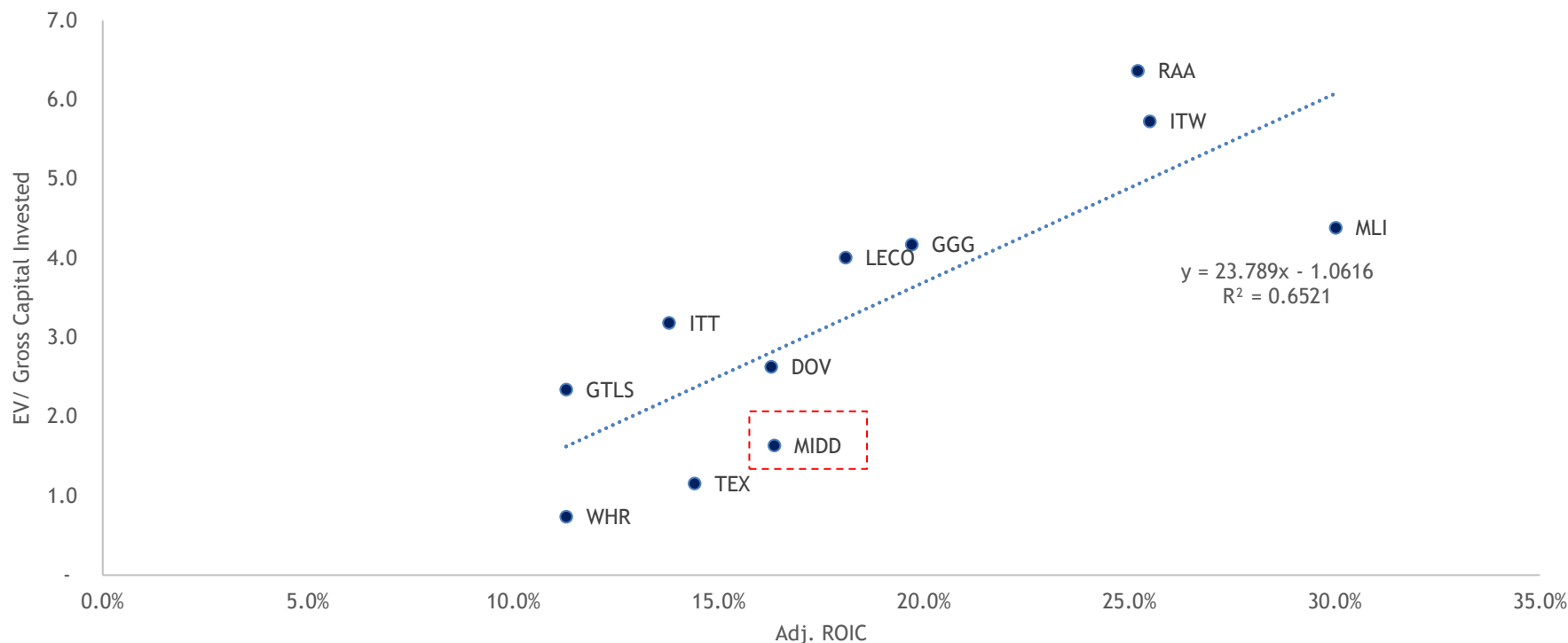




## Appendix 7: Valuation 4 - EV/IC vs. Adj ROIC

Clear upside with fundamental undervaluation

MIDD is cheap based on comparing its EV/IC over ROIC compared to peers

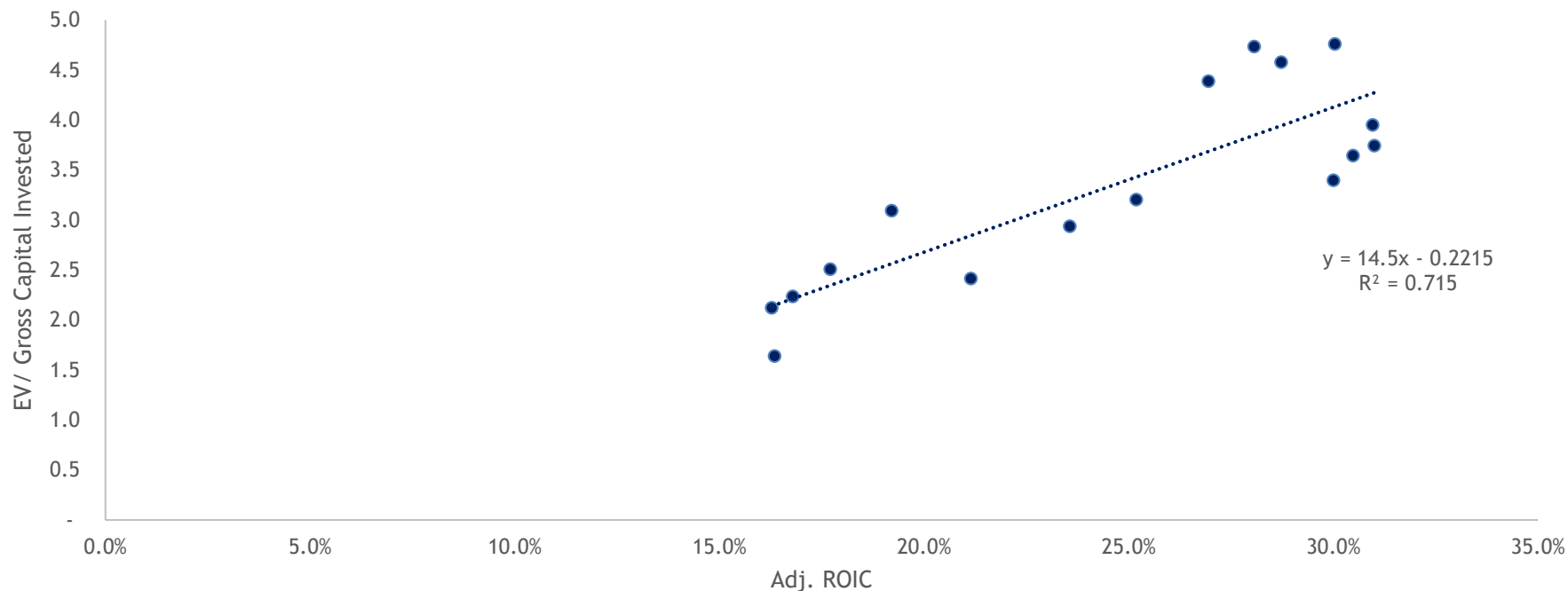


- MIDD's cheapness here shows that the **market does not value the total investments made in the business much higher than the cash cost of these investments**
- In effect, despite MIDD's long history of value creation, the market almost assigns a negative moniker to it!

## Appendix 8: Valuation 5 - EV/IC vs. Adj ROIC (History)

Clear upside with fundamental undervaluation

MIDD's EV/IC depends strongly on Adj. ROIC



- Our statistical work here shows that the **market cares strongly about its perceptions of Adj. ROIC**
- MIDD's spin-offs/divestitures and CFS business improvement, by improving ROIC, should also catalyse a rerating in the stock

## Appendix 9: Replacement Cycle Analogues

We have seen similar replacement cycle dynamics across a multitude of industries, from SAAR to supermarket refrigerants

### SAAR 2008-2014 Replacement Cycle

- During the GFC, U.S. light vehicle sales fell off a cliff, leading to 5 years where there was a **deficit and sales were less than scrappage**. Combined with an aging installed base of car ages, this led to a later period from 2012 onwards where sales shot above trend to refill the fleet
- Cars were aging, not disappearing.
- Average 2-year stock return of F, GM, MG from 2012-2014 was **60%**

Sales growth will largely be driven by record pent-up demand for new vehicles rather than by a strong performance from the U.S. economy - *Center for Automotive Research, 2012*

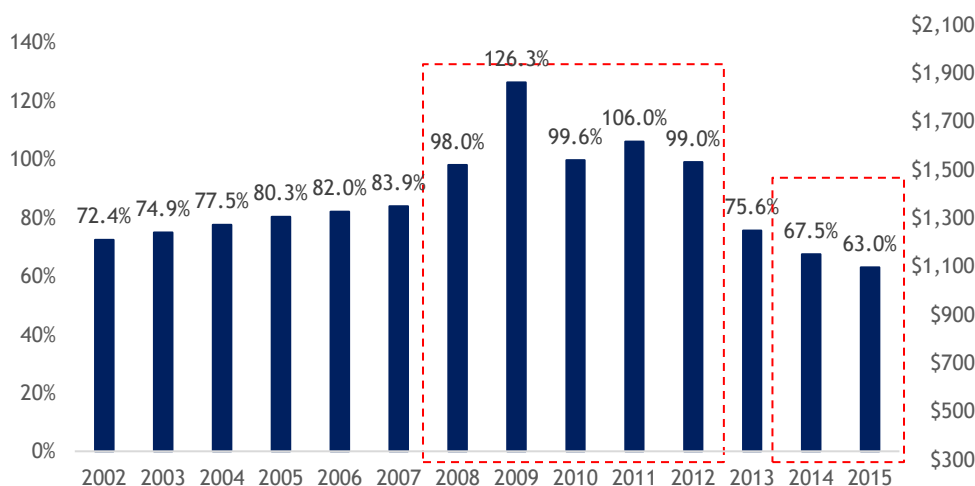
### Residential HVAC 2011-2014 Replacement Cycle

- 2008-2012: HVAC replacement rates fell 25-30% as customers cut replacement spend.
- 2012-2014: Replacement demand rebounded double-digit, driven by high repair costs relative to new unit cost, energy efficiency regulations and safety issues
- LII's stock returned **180%** from 2012-2014

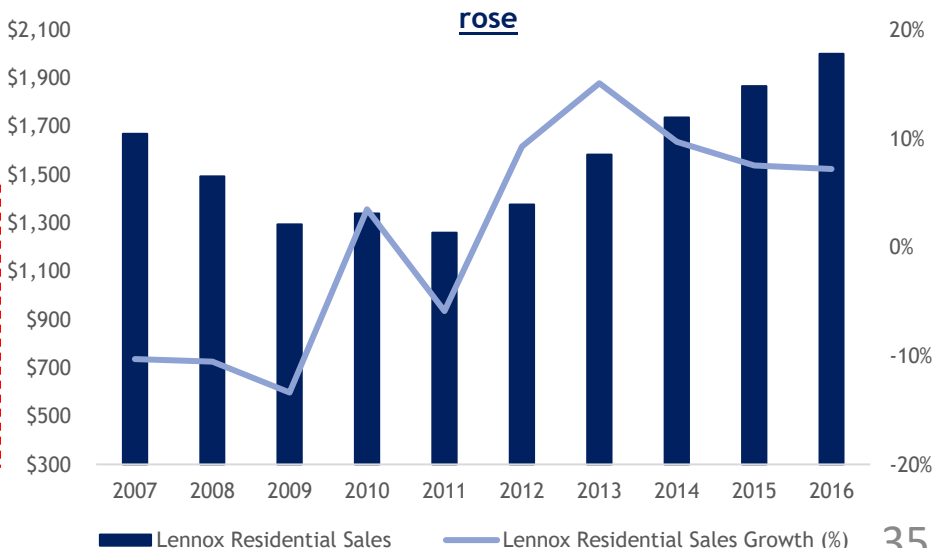
People continue to repair rather than replace units giving the tough economic environment...3 million to 5 million units of pent-up demand...have been created over the last 5 to 6 years beyond a normal structural replacement demand- *LII CEO, Shareholder Call 2011*

We had a great 2013...the market grew 10%, which is unheard of, and that's pent-up demand, that's people starting to replace units after years and years of only repairing them. - *LII CEO, JPM Conference 2014*

### Vehicle scrappage as a % of registrations >100% during the GFC



### Lennox Residential Sales rebounded as replacement demand



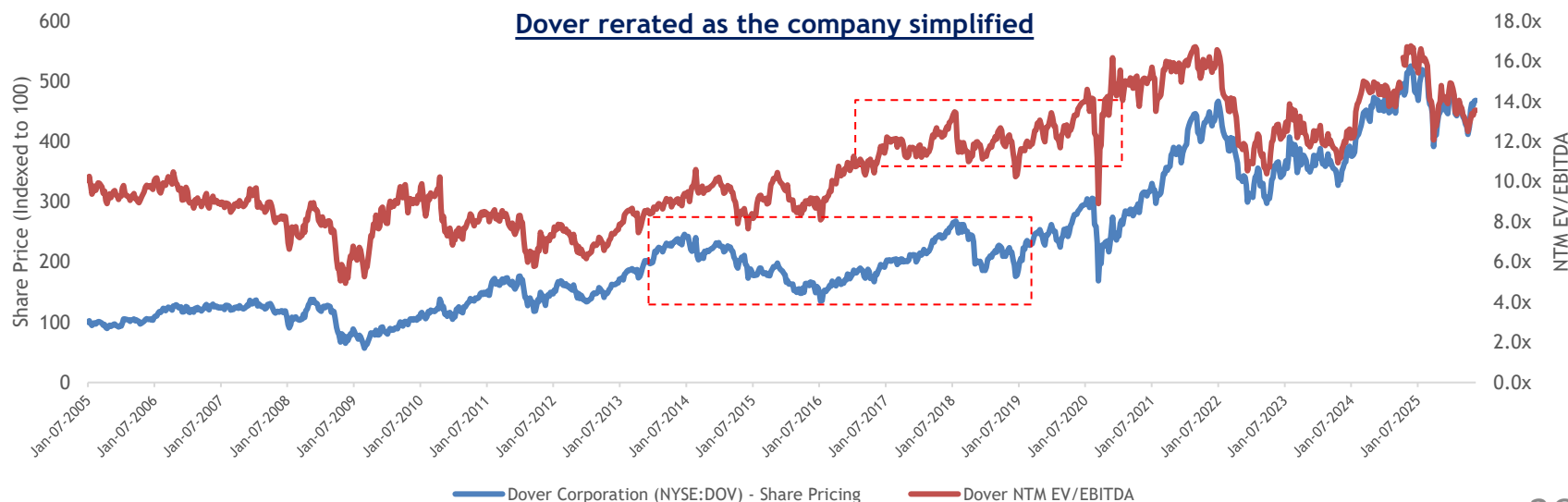
## Appendix 10: Dover Corp Analogue

Dover went through a similar restructuring of its segments, leading to a far higher multiple and cleaner, focused business

### Dover Corp - The Middleby of the 2010s?

- We can look at MIDD's current clean-up through the lens of Dover Corp in 2017
- From 2014-2017, Dover was seen as a value trap with high exposure to volatile O&G and Consumer Tech, leading them to be trapped at a lower valuation range of 8-10x EV/EBITDA despite strong core businesses like Food Equipment and Fluids with 15-20% through-cycle EBIT margin
- Dover started cleaning up their portfolio from 2014, spinning off their consumer electronics business and fully decoupling from Apergy, their cyclical upstream Energy business, removing their correlation and cyclicity to oil prices
- Pre clean-up share returns: Shares compounded at a ~4% CAGR from 2006-2018 when Dover was an unfocused conglomerate
- Post clean-up share returns: Shares compounded at a ~13% CAGR since the 2018 spin-off of Apergy

Dover is an energy proxy. While the Energy revenue mix has now declined to ~20%, the high cyclicity of the North American energy market means that stock sentiment will continue to be heavily dictated by the direction of rig counts and WTI prices - Morgan Stanley Research, March 18, 2016



## Appendix 11: CFS - An Overview

Commercial Foodservices is fundamentally a good business

### CFS is a good business with high barriers to entry

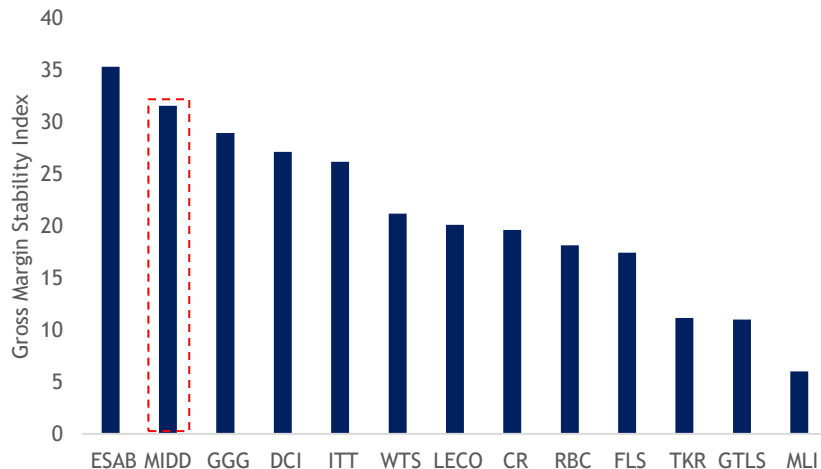
- Commercial Foodservices, with its high ROOA and normalized EBITA margins (25%+) is a good business with high barriers to entry
- CFS benefits from an entrenched position with high switching costs and regulatory complexity such as UL and NSF certification
- Channel checks with restaurant operators note the **price insensitivity** of operators for key equipment pieces - they need them to work, and hesitate to switching as that leads to retooling their kitchen processes
- There are only a few large players globally, and the youngest global player was set up in 1970

If you change your broiler, you have to conduct extensive testing to ensure the meat tastes the same with a new product from another vendor. **The cost to switch is really high. You're absolutely right, that Middleby strives for this, which is a great strategy-**  
Former GM at MIDD

It's very hard for these chains to make a change when it comes to equipment.... they have to retrain the service network, they have to retrain the staff... It's not easy for them to just dump one and move to another.-  
Former Field Marketing Manager, Welbilt

You must purchase major restaurant equipment through our approved kitchen equipment suppliers, or in some cases directly from the approved manufacturer  
- Burger King 2025 Franchisee Disclosure Document

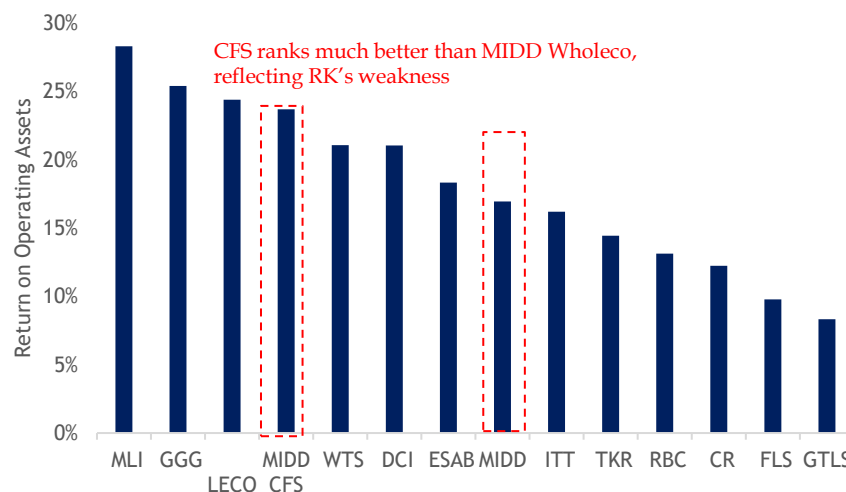
### MIDD is at the top of its peers on Gross Margin Stability



Sources: Company Filings

Note: Gross Margin Stability is a proprietary index that calculates the volatility of a company's gross margin, detrended for any positive changes

### CFS also scores high on ROOA compared to S&P 400 peers

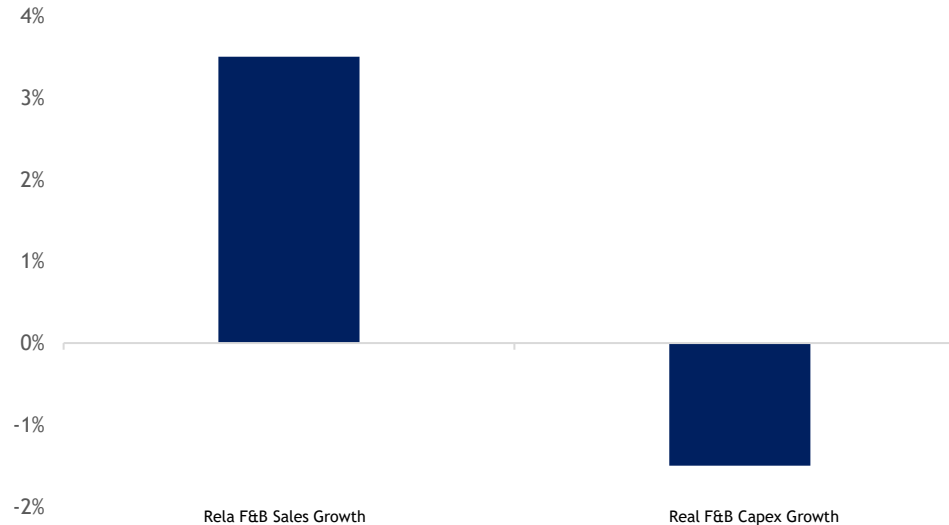


CFS ranks much better than MIDD Wholeco, reflecting RK's weakness

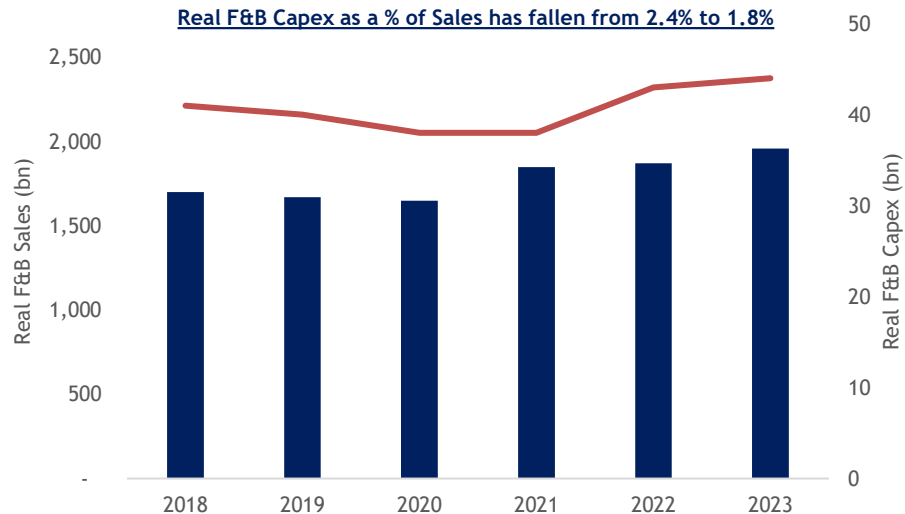
## Appendix 12

### Deferred Capex

Annual F&B real sales CAGR vs. capex CAGR (2018-2022)



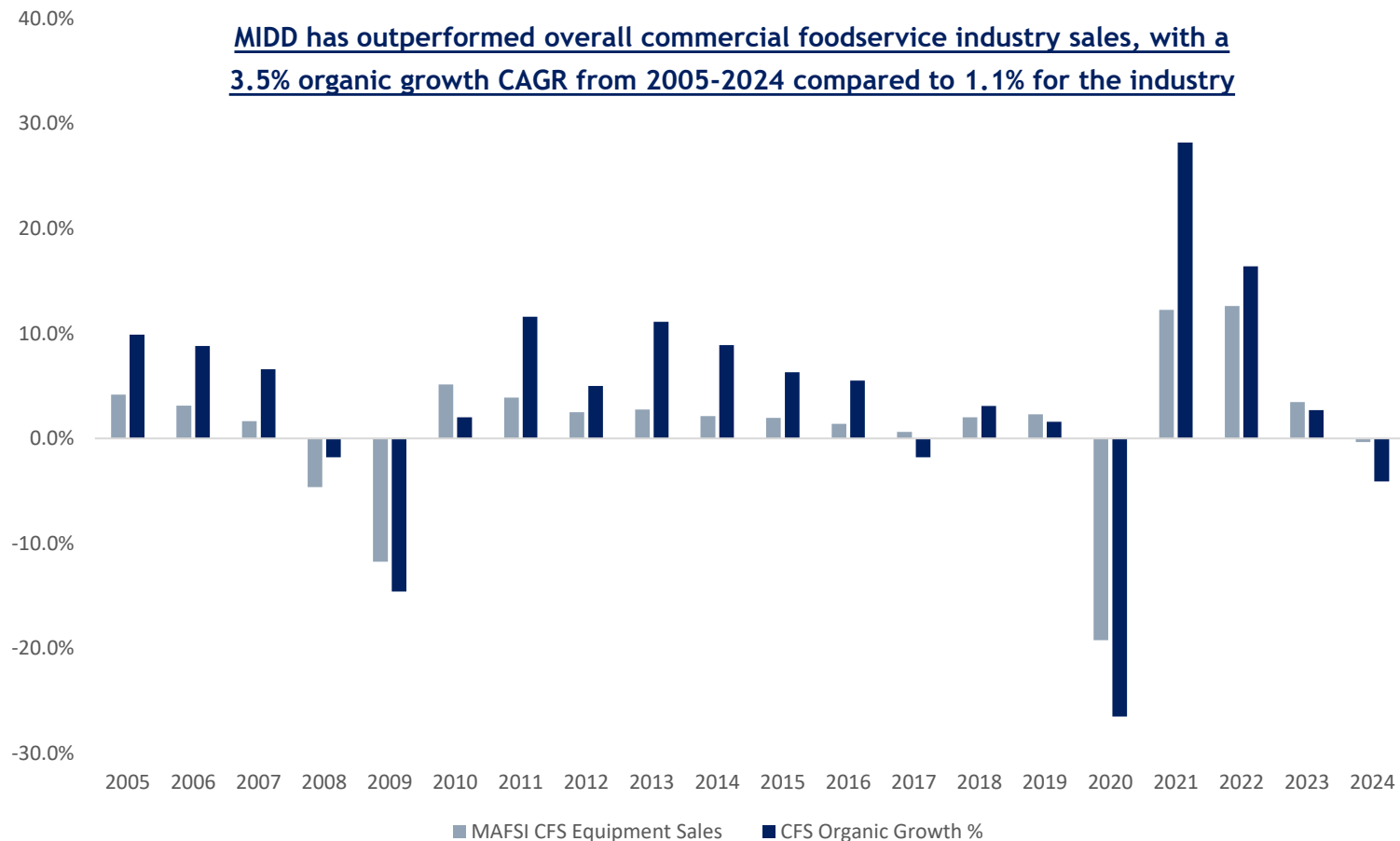
Real F&B Capex as a % of Sales has fallen from 2.4% to 1.8%



## Appendix 13: CFS compared to the industry

CFS has grown strongly

**MIDD has outperformed industry sales**



## Appendix 14

### Shareholder Base

The table below lists MIDD's 15 largest shareholders based on the most recent September 30 filing. These investors together hold roughly 75% of the company's shares outstanding, underscoring a highly concentrated, institutionally driven ownership base, with activist involvement.

No.	Holder	% Held	Cost	Date Of Entry	Type
1	The Vanguard Group, Inc.	8.8	NMF	Mar-31-2004	Passive
2	BlackRock, Inc.	8.4		Jun-30-2004	Passive
3	Select Equity Group, L.P.	8.3	173	Jun-30-2021	Active
4	T. Rowe Price Group, Inc.	7.7	9	Aug-31-2004	Active
5	Garden Investment Management, L.P.	6.5	135	Dec-31-2024	Activist
6	Wellington Management Group LLP	6.3	22	Mar-31-2007	Active
7	JP Morgan Asset Management	3.7	9	Sep-30-2004	Active
8	Turtle Creek Asset Management Inc.	2.9	128	Sep-30-2017	Active
9	Victory Capital Management Inc.	2.9	34	Mar-31-2012	Active
10	State Street Global Advisors, Inc.	2.9	NMF	Mar-31-2004	Passive
11	Dimensional Fund Advisors LP	2.8	NMF	Mar-31-2004	Passive
12	EARNEST Partners, LLC	2.6	139	Sep-30-2024	Active
13	Ariel Investments, LLC	2.5	57	Mar-31-2020	Active
14	Invesco Ltd.	2.0	129	Dec-31-2016	Active
	<b>Total</b>	<b>68.3</b>			



## Appendix 15

### Management Team



**Timothy FitzGerald:** FitzGerald was appointed as the company's CEO in 2019 and has been with Middleby for nearly 25 years. Prior to being appointed CEO, he served as VP and CFO since 2003, under Selim Bassoul, prolific ex-CEO. Prior to that, he was VP and Corporate Controller from 1998 to 2003. Prior to joining Middleby, FitzGerald worked at Arthur Andersen in audit and consulting from 1991 through 1998 working on various restructuring, business integrations, and M&A transactions. Last Year All-In-Comp: \$7.5 Mn (-11% YoY).



**Bryan Mittelman:** Mittelman was appointed as CFO in 2019 after joining the firm in 2018 as Chief Accounting Officer. Prior to Middleby, he was VP and Controller of Knowles Corporation. Additionally, Mittelman served as Corporate Controller at Morningstar and served in various finance and accounting roles at Siemens Healthcare Diagnostics, Dade Behring, and Arthur Andersen. Last Year All-In-Comp: \$3.33 Mn (-11.4% YoY)



**James K. Pool:** Pool currently serves as the company's Chief Technology and Operations Officer. He joined Middleby in 2008 after the company's acquisition of Turbo Chef Technologies. Additionally, in 2020, he led the design and planning of the firm's newly completed Middleby Innovation Kitchens outside of Dallas and has responsibilities for leading brand initiatives and product development to support the company's long-term strategy. Joining TurboChef in 1995, Pool led the engineering efforts to expand the company's rapid and accelerating cooking ovens. Last Year All-In-Comp: \$3.32 Mn (-11.4% YoY)

## Appendix 16

### Garden Investments Deep Dive



- Ed was appointed to the Middleby Board of Directors in 2025. He has been **the founding partner of Garden Investments, L.P. Since 2023, from 2005 to 2023, he was Chief Investment Officer and Founding Partner of Trian Fund Management, L.P.** Prior to Trian, he was a Managing Director at CSFB and earlier co-head of equity capital markets at BT Alex Brown. Since 2017, Garden has served as a director of General Electric.
- Ed Garden brings a solid track record of public investing and capital allocation, having led investments in Mondelez, Wendy's and GE
- Most interestingly, Garden mentioned on a 2023 podcast that Garden took it's time to select it's first investment - over a year from founding, with their main goal to compound capital at a high IRR



- Brian Jacoby is a partner at Garden Investments and is also Ex-Trian. Brian has domain specific knowledge for the industry **having sat on the boards of Wendy's, Arby's & Inspire Brands.**
- Since Garden's initial investment in January 2025, the firm has increased its position to own ~6.5% of MIDD. It marked the firm's first investment.

## Appendix 17

### Hiring of Rebecca Ellin



- On October 29<sup>th</sup>, MIDD announced the hire of Rebecca Ellin for a newly created role - SVP of Investor Strategy and Corporate Development
- A 2005 graduate of HBS, she has 18 years of experience investing in public equities, where critically, she covered industrial machinery companies
- We believe that this shows clear management commitment to refreshed capital allocation - Rebecca's role has the clear mandate to engage on **capital allocation priorities and managing capital market initiatives** (*Rebecca was hired pre RK spin-off announcement in Q3*)



#### **Middleby Appoints Rebecca Ellin as Senior Vice President of Investor Strategy and Corporate Development**

October 29, 2025

ELGIN, Ill.-(BUSINESS WIRE)—Oct. 29, 2025— The Middleby Corporation (NASDAQ: MIDD), a global leader in foodservice equipment and technology, today announced the appointment of Rebecca Ellin as Senior Vice President, Investor Strategy and Corporate Development. This newly created role reflects Middleby's strategic focus on accelerating growth and enhancing stakeholder engagement as the Company executes its transformation initiatives, including the planned Food Processing segment spinoff.

Rebecca will report directly to Tim FitzGerald, Chief Executive Officer, and collaborate closely with Middleby's executive leadership team to drive investor engagement while participating in the development of the Company's long-term growth strategy. Her responsibilities will include evaluating capital allocation priorities, managing capital market initiatives, and ensuring strategic communication with investors, analysts, and key stakeholders.

"As we continue positioning Middleby for sustained long-term growth, Rebecca's deep industry knowledge, extensive investor community experience, and capital markets expertise will be invaluable," said Tim FitzGerald, Chief Executive Officer. "Her appointment strengthens our team and ability to execute our strategic initiatives, including our upcoming Food Processing spinoff, and effectively communicate our compelling value proposition to the investment community."

Rebecca brings 18 years of public equities experience from Baron Capital Group, where she most recently served as Vice President, Research Analyst, and was responsible for identifying investment opportunities in growth companies that have best-in-class management teams, sustainable competitive advantage, and are implementing differentiated strategies to create long-term shareholder value.

Rebecca previously held roles with Oppenheimer Capital and Standard & Poor's. Rebecca holds an MBA from Harvard Business School and a B.A. in Economics from the University of Pennsylvania.

#### **ABOUT THE MIDDLEBY CORPORATION**

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. Middleby showcases its advanced solutions in the Middleby Innovation Kitchens for commercial foodservice, industrial baking and protein Innovation Centers for food processing solutions and state-of-the-art, award-winning Middleby Residential showrooms. For more information about Middleby, please visit [www.middleby.com](http://www.middleby.com).

View source version on [businesswire.com](https://www.businesswire.com/news/home/20251029748382/en/): <https://www.businesswire.com/news/home/20251029748382/en/>

Rebecca Ellin, SVP of Investor Strategy and Corporate Development, [rellin@middleby.com](mailto:rellin@middleby.com)

Media inquiries:  
Darcy Bretz  
VP of Corporate Communications  
[dbretz@middleby.com](mailto:dbretz@middleby.com)

Source: The Middleby Corporation

## Appendix 18

### FP Industry Deep-Dive

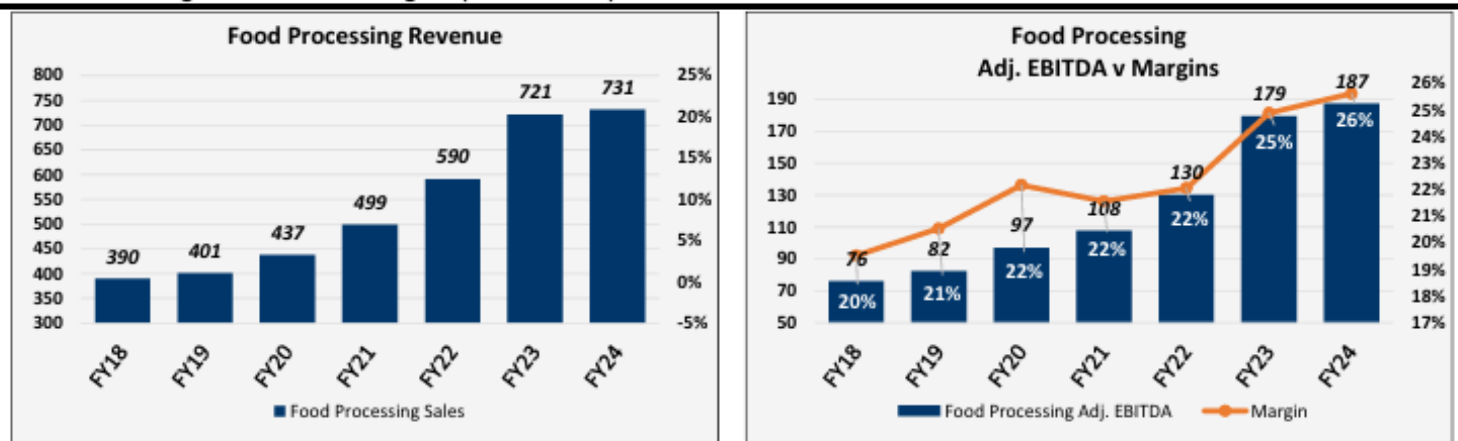
#### Food Processing Segment (Spin-Off Announced for 1H26)

- Middleby will separate its Food Processing segment via a tax-free spin (announced Feb-2025; expected 1H26).
- Segment provides protein + bakery processing solutions across thermal processing, slicing/packaging, automation, sanitation, and freezing/defrosting.
- Portfolio spans ~31 brands (Alkar, Armor Inox, Auto-Bake, Burford, Cozzini, Drake, Gorreri, JC Ford, Sveba Dahlen, etc.) with full-line integration capabilities.
- Geography: US/Canada 61%, EMEA 27%, LatAm 9%, Asia 4%.

#### Industry Dynamics

- Market shifting from fragmented vendors → global consolidated players.
- Processors require high-capacity, flexible equipment to meet retailer/QSR product consistency standards and tightening food-safety requirements.
- Margin pressure and raw-material inflation driving adoption of lower total cost of ownership, higher-efficiency systems.
- Structural tailwinds toward automation, robotics, and advanced technology to boost throughput, quality, and labor efficiency.

**Food Processing Revenue and Margins (\$ in millions)**



Source: Company filings

## Appendix 19

### RK Industry Deep-Dive

- Manufactures and sells premium indoor + outdoor residential appliances across ~24 brands (Viking, La Cornue, Lynx, Kamado Joe, AGA, Marvel, U-Line, Masterbuilt).
- Product range includes ranges, cooktops, ovens, refrigeration, dishwashers, wine/ice/beer systems, ventilation, mixers, and grills.
- Geography: US/Canada 64%, Europe/Middle East 33%, LatAm 1%, Asia 3%.
- Customers: High-end homeowners; premium appliance dealers/distributors.

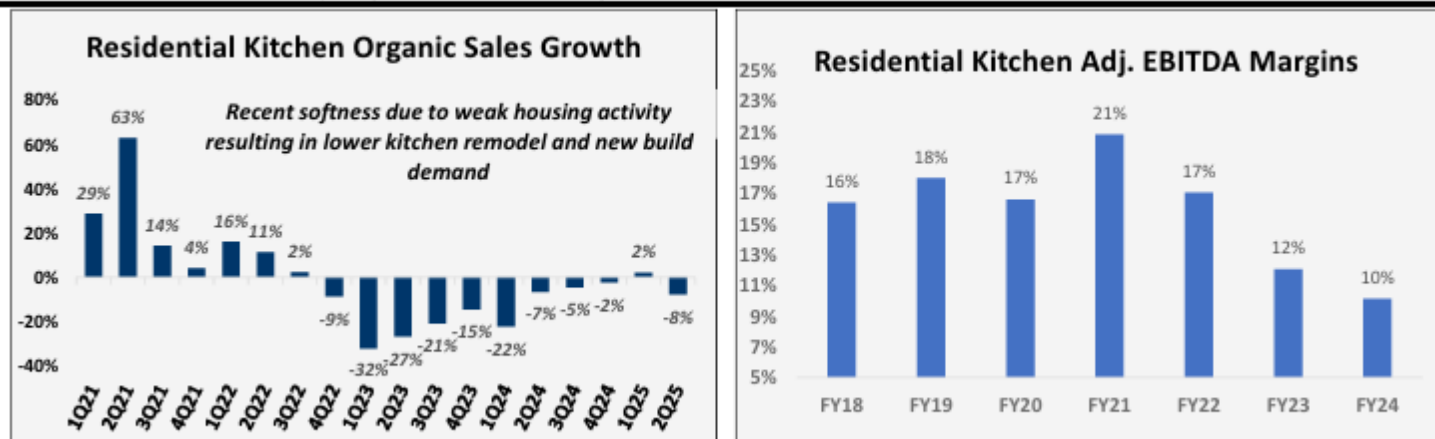
#### Industry Dynamics

- Global residential appliance market >\$250B.
- Growth driven by design trends, outdoor kitchens, commercial-style performance, and housing/renovation cycles.
- Sensitive to macro factors: housing starts, remodel activity, GDP, rates, inflation, and consumer confidence.

#### Competitive Landscape

- Competes with mass/global brands: Electrolux, GE, LG, Panasonic, Samsung, Weber, Whirlpool.
- Premium competitors include Bosch/Thermador/Gaggenau, Dacor, Haier, Midea, Miele, SMEG, Sub-Zero/Wolf.

#### Residential Kitchen Quarterly Organic Growth & Margins

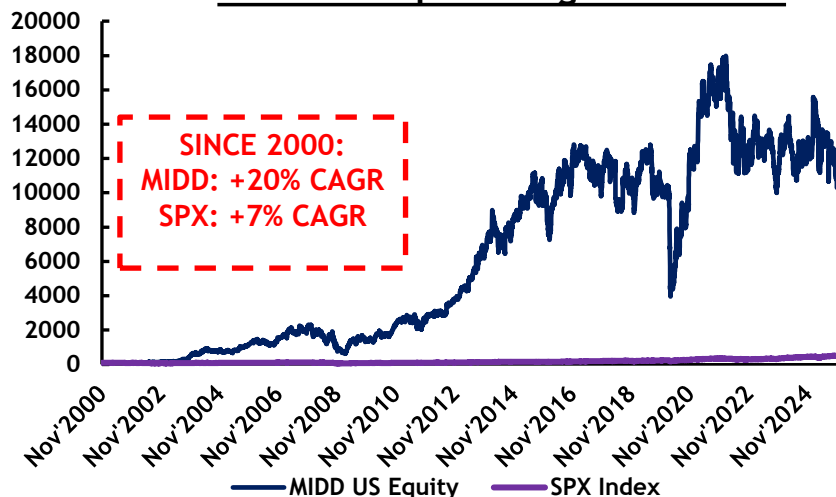


Source: Company filings

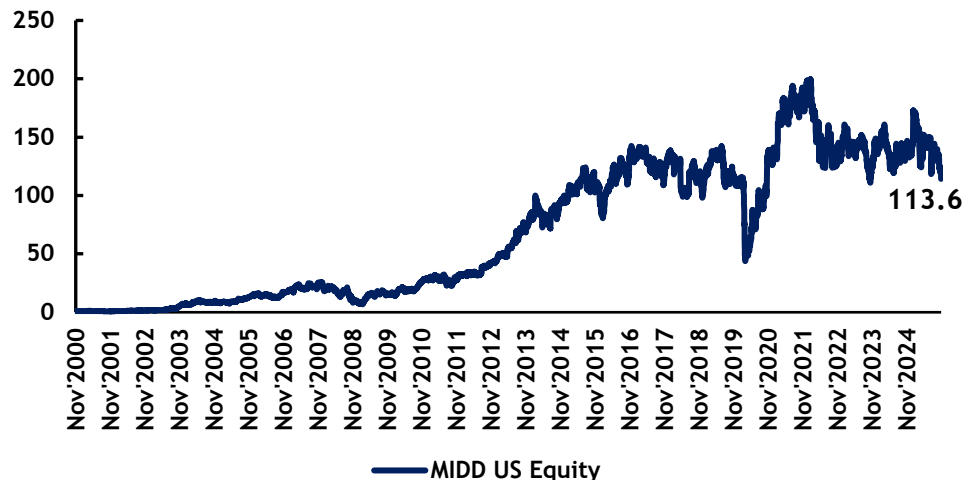
## Appendix 20

### Deep Dive into Stock Price and Relative Underperformance

**MIDD's Compounding Credentials**



**Stock Price Over Time**



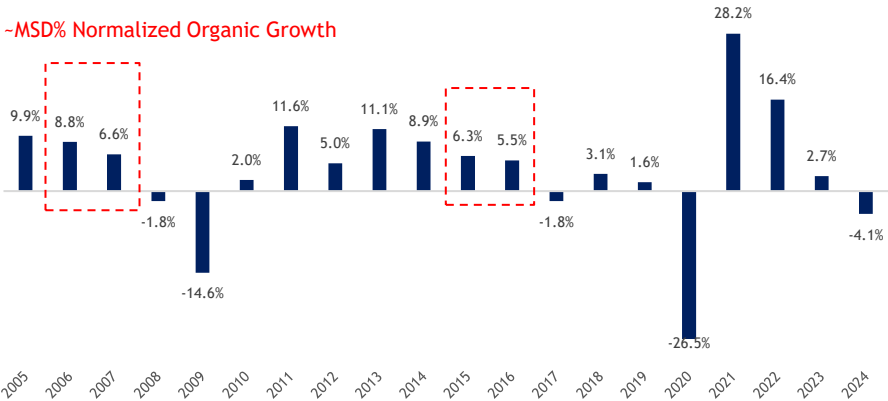
<b>USD Absolute Returns (Till 11/18/2025)</b>	<b>6M</b>	<b>1Y</b>	<b>3Y</b>	<b>5Y</b>	<b>7Y</b>	<b>10Y</b>
<b>Middleby Corp</b>	-15%	1%	86%	86%	-4%	7%
<b>S&amp;P 500 INDEX</b>	25%	-17%	178%	178%	142%	218%
<b>S&amp;P 500 Machinery Index</b>	19%	12%	184%	184%	163%	315%
<b>Illinois Tool Works Inc</b>	0%	10%	133%	133%	111%	234%
<b>JBT Martel Corp</b>	46%	-8%	115%	115%	65%	190%
<b>Whirlpool Corp</b>	-19%	16%	46%	46%	-21%	-36%
<b>GEA Group AG</b>	67%	-35%	209%	209%	167%	110%
<b>Rational AG</b>	30%	41%	38%	38%	-81%	-81%

# Appendix 21

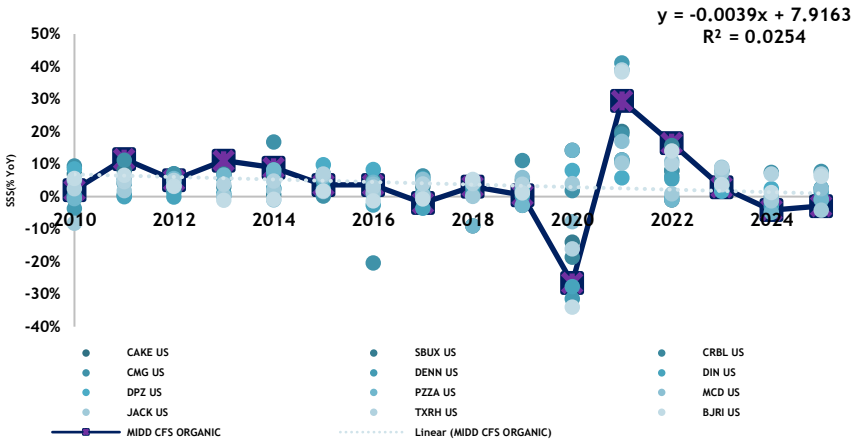
## Historical per-Segment Growth

MIDD CFS Organic Growth (2005 - 2024)

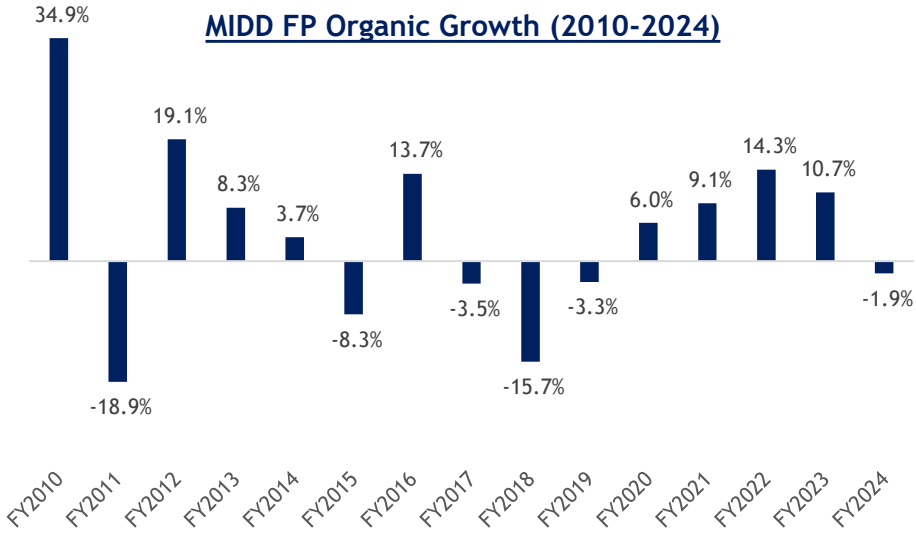
~MSD% Normalized Organic Growth



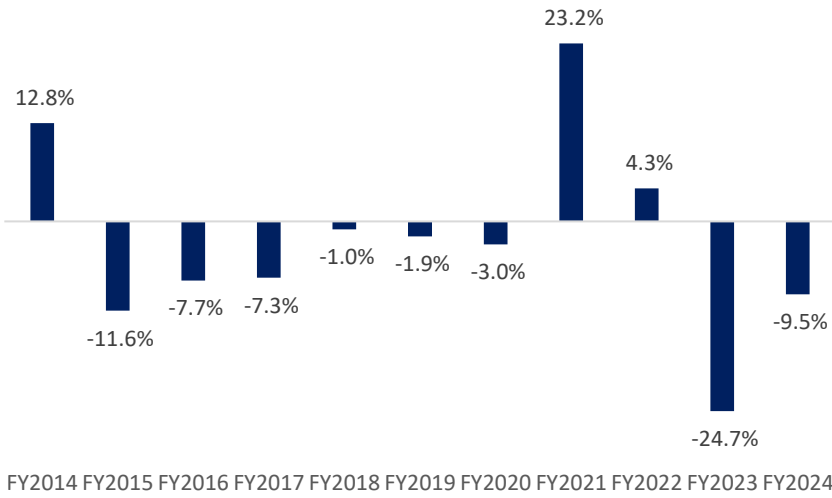
Customer SSS growth vs MIDD CFS Organic Growth



MIDD FP Organic Growth (2010-2024)

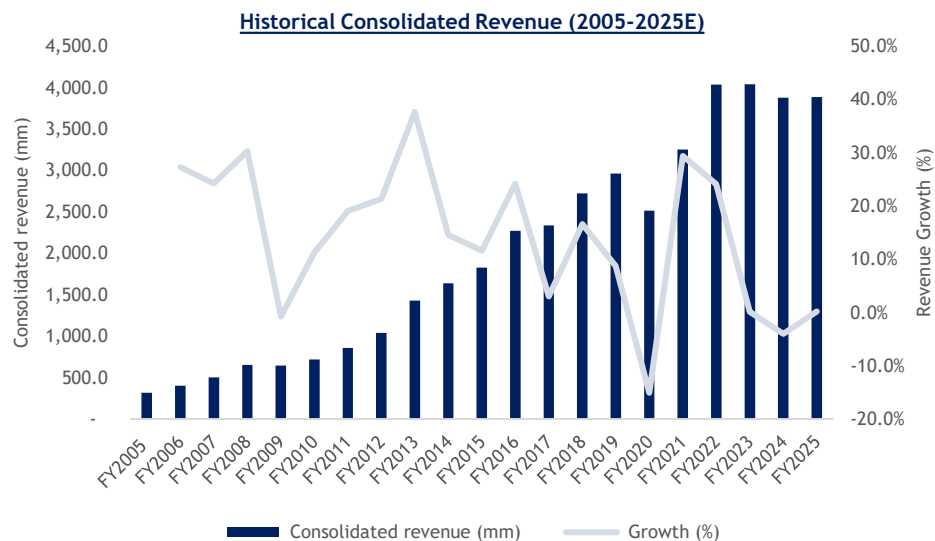
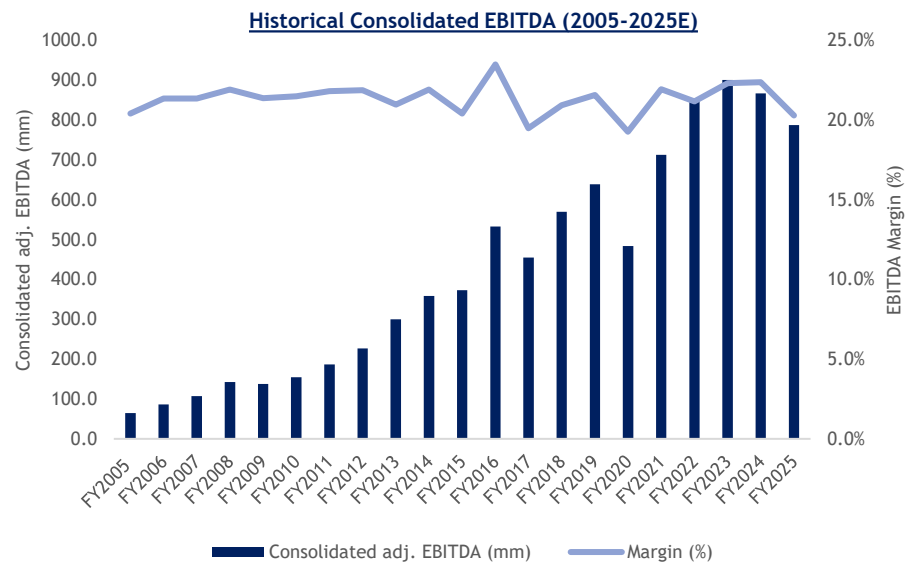


MIDD RK Organic Growth (2014-2024)



## Appendix 22

### Historical Revenue and EBITDA (Pre GFC)



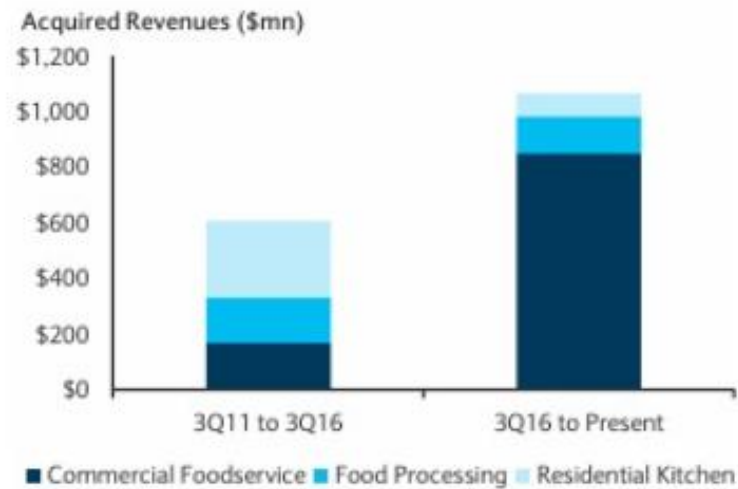


## Appendix 23

### Capital Allocation over time

FIGURE 9

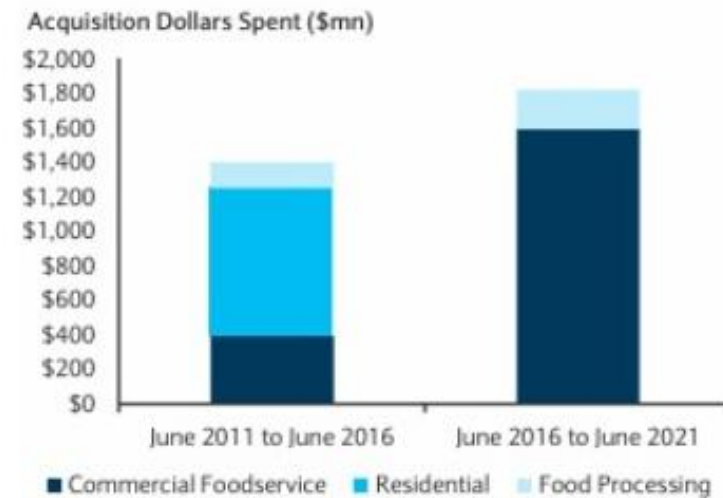
#### Acquisition Revenue by Segment



Source: Barclays Research, Company Reports

FIGURE 10

#### Acquisition Dollars Spent by Segment

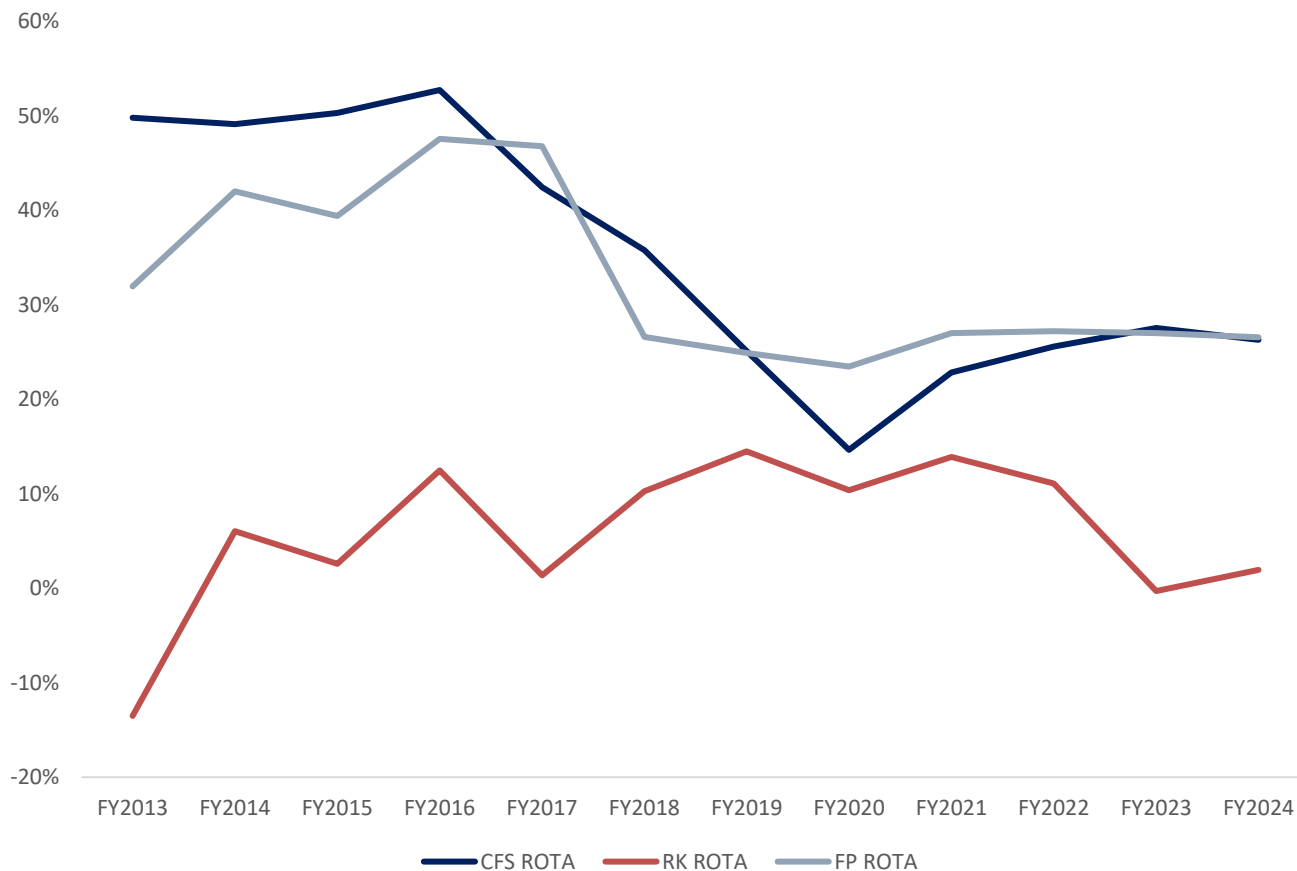


Source: Barclays Research, Company Reports

## Appendix 24

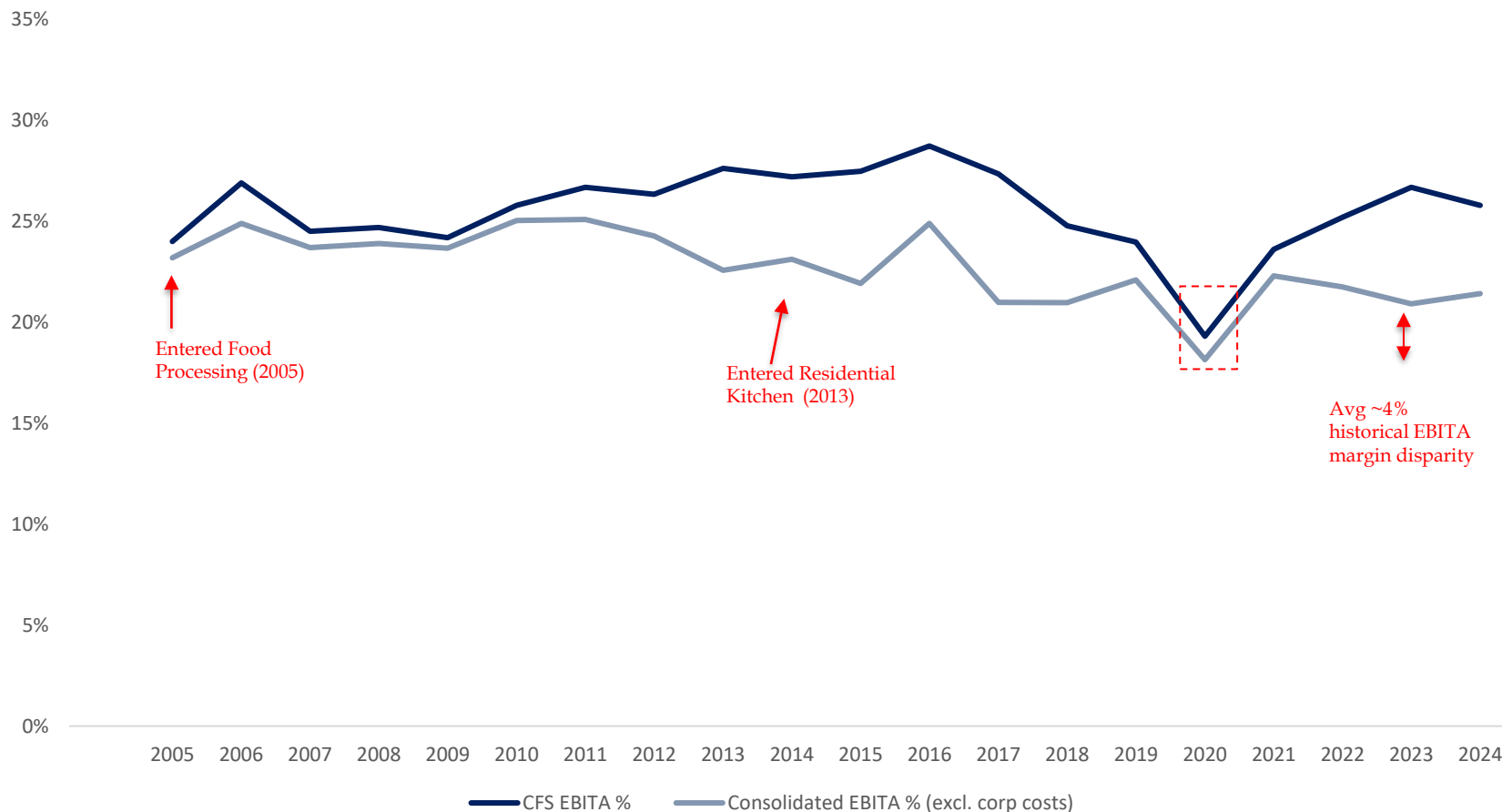
### Historical ROTA

Group Return on Tangible Assets has been heavily impacted by RK  
- CFS and FP are fundamentally good businesses with high ROTA



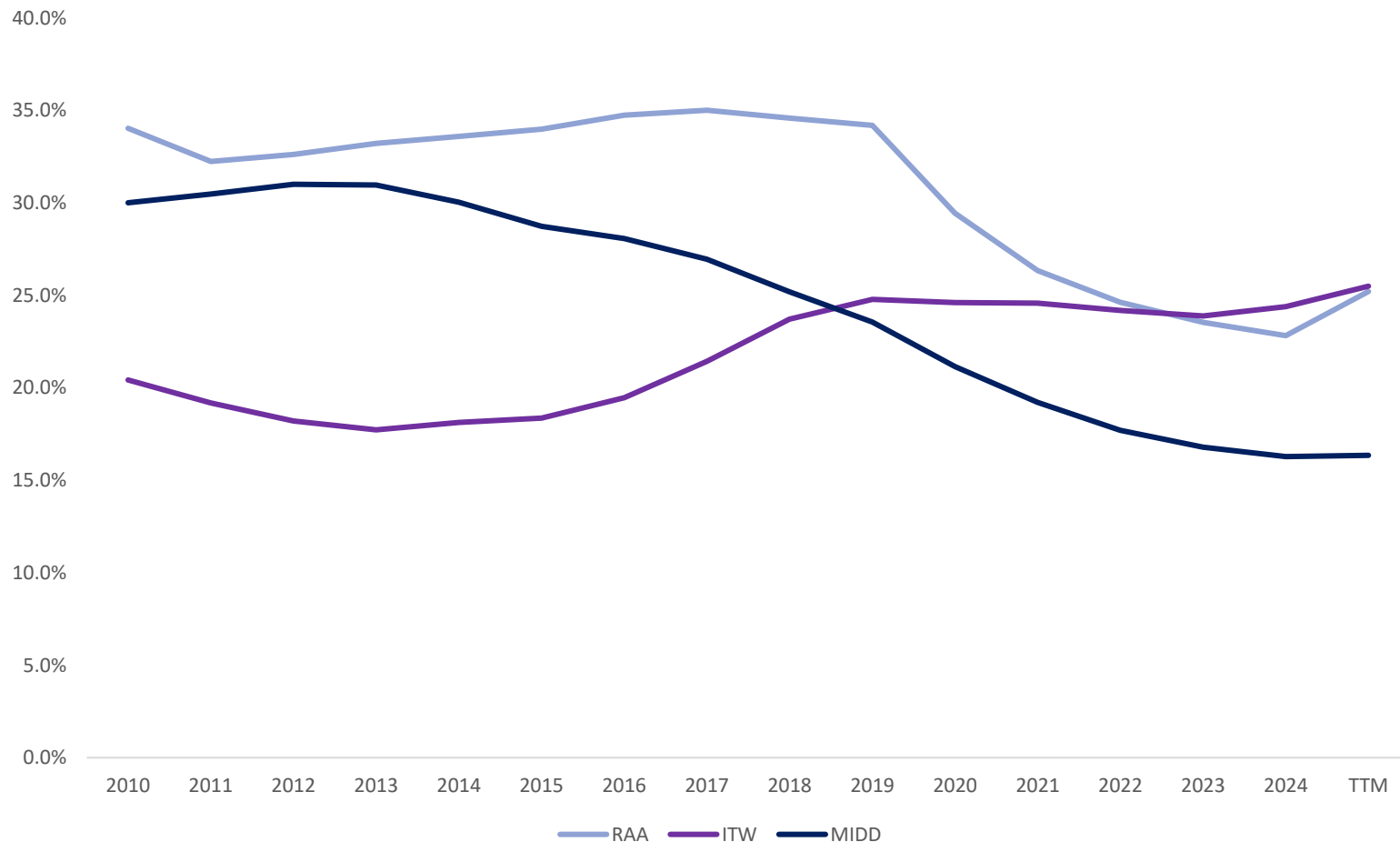
## Appendix 25

Cyclical RK & lower FP margins have suppressed consolidated vs CFS margins



## Appendix 26

MIDD's adj. ROIC has fallen below peers as it moved away from CFS



## Appendix 27: MIDD Capital Allocation Change

MIDD's capital allocation change is tangible

### Middleby has a strong M&A track record

- Historically, management's capital allocation philosophy centered almost entirely on using cash flow and debt to execute a prolific acquisition strategy aimed at expanding market scope and scale, with >50 acquisitions since 2005.
- However, with the entry of Ed Garden and Garden Investments, we have seen a marked departure from this strategy, which was also executed by Timothy Fitzgerald, Bassoul's no.2 for many years.
- Management announced a **"Strategic Prioritization of Capital to Middleby Share Repurchases"** as part of their new capital allocation philosophy, stating explicitly that the "vast majority of free cash flow" will now be deployed to share repurchases
- The role of M&A has also been adjusted, with acquisitions now conducted on a "highly opportunistic and strategic basis"
- The company had previously only ever divested 2 extremely minor businesses - the upcoming spins/sales will be unprecedented.
- Interestingly, when management announced the new capital allocation framework, they **heavily emphasized it** - it was the 2<sup>nd</sup> slide of their Q1'25 presentation, when it was announced
  - All other quarterly presentations have financial results/segment summaries as the first few pages. However, for Q1'25, financials were relegated to Page 7!

#### MIDDLEBY SHARE REPURCHASE



##### STRATEGIC PRIORITIZATION OF CAPITAL TO MIDDLEBY SHARE REPURCHASES

- Vast majority of free cash flow will be deployed to Middleby share repurchases
- Strategic step underscores strong confidence in our business; share price does not reflect long-term inherent value
- Repurchases to complement ongoing priority of realizing Organic Growth from Innovation & Go-to-Market Investments
- Acquisitions on a highly opportunistic and strategic basis
- Buybacks expected to reduce outstanding shares by 6–8% annually
- Targeting 2.0–2.5x leverage

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

2

He [Selim Bassoul] ran the most prolific M&A operation of any company in food service ever. And I commend him for that because he cracked the code.- *Ex-direct report to Selim Bassoul, ex-CEO, MIDD*

## Appendix 28: MIDD M&A Track Record

Middleby has strategically invested in core categories through acquisitions and driving subsequent operating performance

### MIDD's Historical M&A Track Record

## Middleby's Historical M&A Track Record



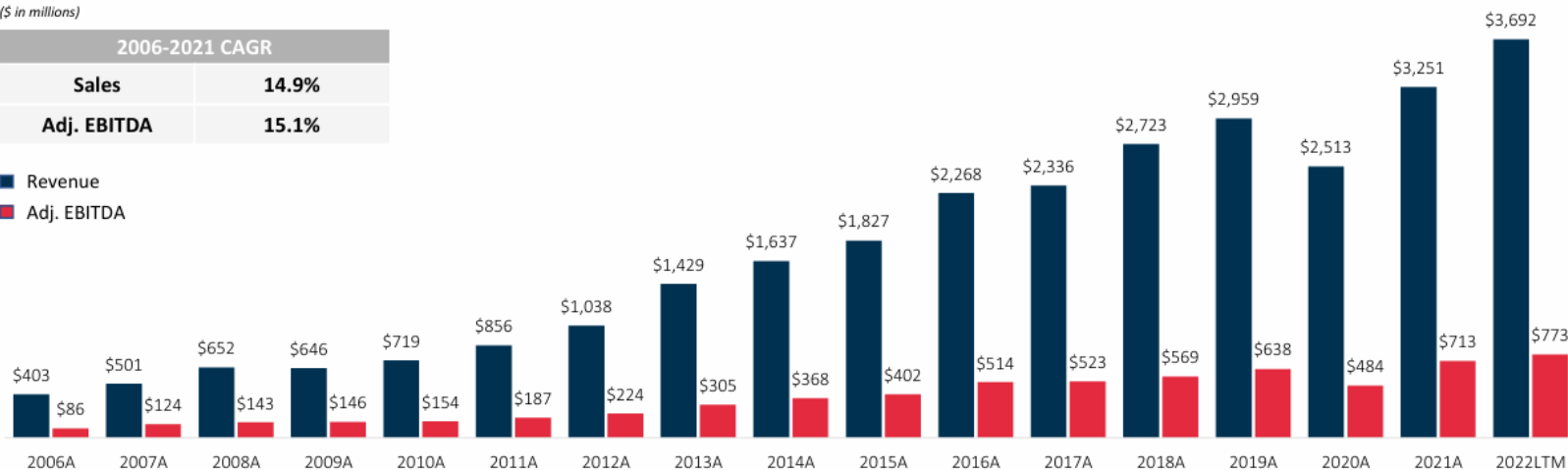
Middleby has strategically invested in core categories through acquisitions and driving subsequent operating performance

### Historical Sales and Adj. EBITDA

(\$ in millions)

2006-2021 CAGR	
Sales	14.9%
Adj. EBITDA	15.1%

■ Revenue  
■ Adj. EBITDA



Number of acquisitions:

1	5	2	4	2	7	4	3	4	8	2	7	8	7	4	5	6*
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	----

Acquired revenue (\$ in millions):

\$10	\$220	\$34	\$138	\$48	\$149	\$76	\$243	\$99	\$514	\$145	\$279	\$394	\$177	\$97	\$530	\$125*
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[www.middleby.com](http://www.middleby.com)

\*Number of acquisitions and acquired revenue represents only 2022 acquisitions through July 2022

## Appendix 29: MIDD FP M&A Track Record

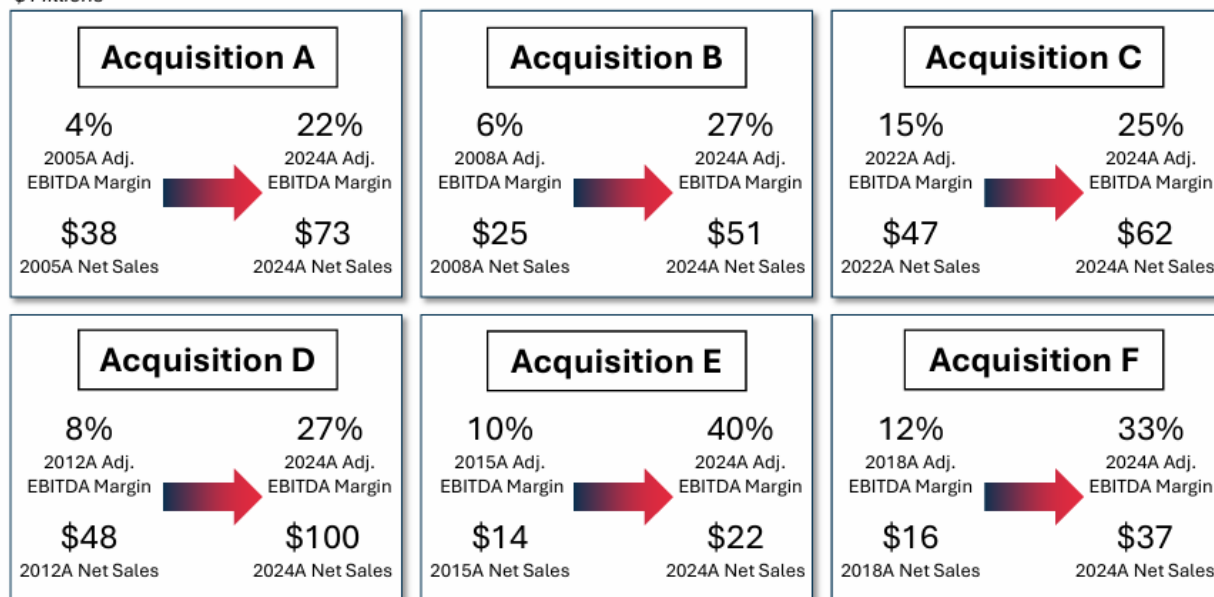
MIDD has been similarly good at FP M&A

Middleby has a strong M&A track record

...With Significant Value Created Through Proven Integration Expertise Impacting Both Revenue and Adj. EBITDA Growth



\$ Millions



✓ Since 2005, Middleby Food Processing has acquired 30+ companies

— Average Adj. EBITDA margin of ~11% at acquisition

— Average Adj. EBITDA margin of ~26%<sup>1</sup> today, representing ~1,500bps of operationally driven margin expansion

✓ Acquired businesses have grown topline at an average CAGR of ~4% since acquisition

✓ With enhanced scale and operational excellence, Food Processing acquisitions have flourished, positioning Middleby as an “acquirer of choice”

Strong track record of creating value through strategic M&A criteria and operational improvements

## Appendix 30: MIDD M&A Track Record

MIDD has been incisive at margin improvement post acquisition

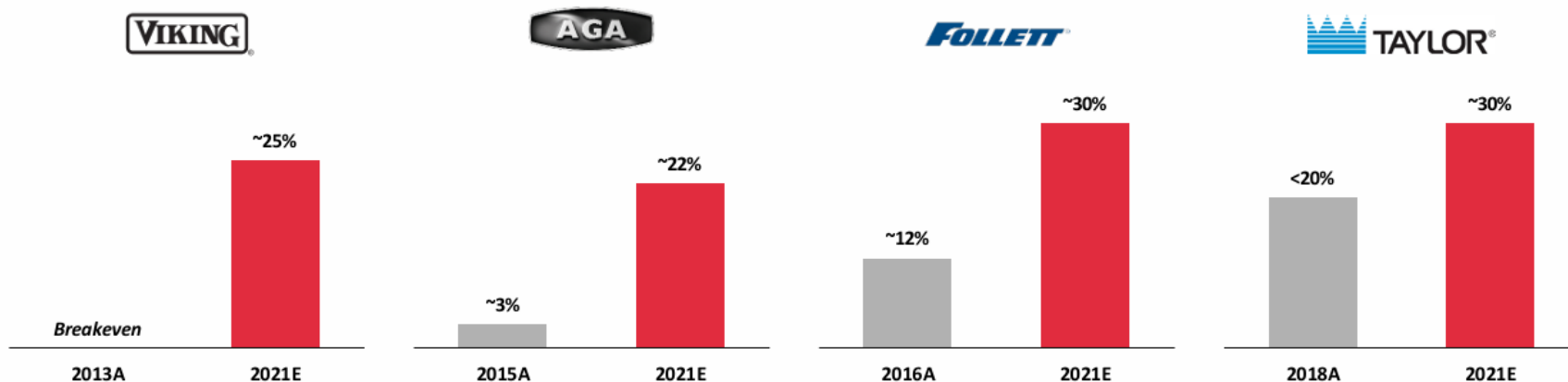
Middleby has a strong M&A track record

### Middleby is a Proven and Experienced Acquirer



- Our acquisition history provides a clear integration playbook to implement best practices and maximize efficiency across the Middleby organization
- Middleby has historically realized synergies from its acquisitions from material and supply chain initiatives, combined sales & marketing investments, product & technology sharing accelerating innovation and expense reduction through best practices and removal of duplicative costs
- We set target margin goals at our acquired businesses and work to improve operations in a timely manner, as evidenced below

#### Application of the 'Middleby Way' – Adj. EBITDA Margin Improvement





## Appendix 31: Restaurant industry chains

Chains have taken market share

Chains have generally taken market share from independent restaurants

FIGURE 8. US Restaurant Industry Units by Segment (pre-COVID)

Segment	US Units			1 Store for Every 'x' People	% of Total		5-Year Growth CAGR		
	Chain	Independent	Total		Chain	Independent	Chain	Independent	Total
Coffee / Snack / Bakery-Café	61,228	40,871	102,099	3,355	60%	40%	2.8%	(1.2%)	1.1%
Bar & Grill CD	18,299	81,568	99,867	3,430	18%	82%	2.4%	(1.1%)	(0.5%)
Asian	8,395	61,377	69,772	4,909	12%	88%	2.7%	0.0%	0.3%
Pizza QSR	38,342	31,189	69,531	4,926	55%	45%	1.1%	(2.2%)	(0.4%)
Sandwich QSR	48,937	20,128	69,065	4,959	71%	29%	0.4%	(3.4%)	(0.8%)
Burger QSR	47,002	8,863	55,865	6,131	84%	16%	0.5%	(2.4%)	0.0%
Family CD	14,323	40,281	54,604	6,272	26%	74%	0.2%	(1.2%)	(0.9%)
Chicken QSR	22,708	5,215	27,923	12,266	81%	19%	3.0%	(0.7%)	2.2%
Mexican QSR	16,875	9,324	26,199	13,073	64%	36%	2.2%	0.8%	1.6%
Italian CD	4,187	15,947	20,134	17,011	21%	79%	0.3%	(1.8%)	(1.4%)
Steak & BBQ CD	5,817	11,201	17,018	20,126	34%	66%	2.0%	(2.9%)	(1.4%)
Seafood CD	3,671	10,086	13,757	24,897	27%	73%	(1.5%)	(1.4%)	(1.5%)
Uncategorized*	4,196	28,915	33,111	10,344	13%	87%	8.2%	0.9%	0.7%
<b>Total Restaurants</b>	<b>293,980</b>	<b>364,965</b>	<b>658,945</b>	<b>520</b>	<b>45%</b>	<b>55%</b>	<b>1.6%</b>	<b>(1.2%)</b>	<b>(0.0%)</b>

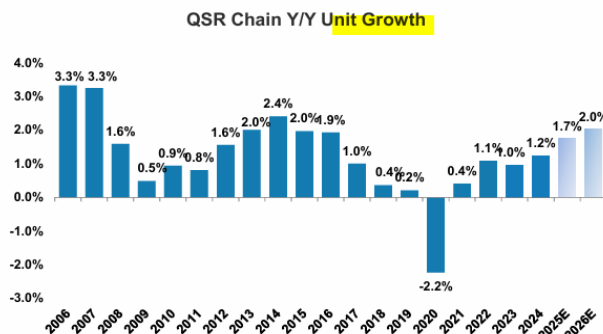
# Appendix 32

## Unit Growth Deep-Dive

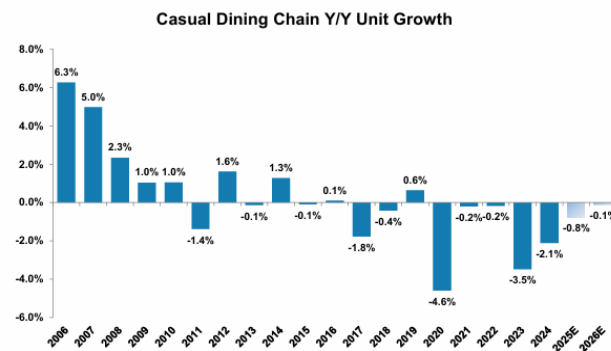
### Unit Supply: Estimates By Segment

**Industry supply growth is now more in line with demand, this after several years of overbuilding**

- After overbuilding for many years, our proprietary research continues to suggest that capacity growth has moderated, and Covid-related closures have been a source of rationalization.
- **Quick service chains:** We estimate there was a 2.5% decline in units in '20 and modest growth in '21 before closer to ~1% in '22. We expect ~1.5% in 2023-25. Historically, we viewed QSR supply/demand to be relatively in balance, with legacy fast food more saturated.
- **Casual dining chains:** We estimate there was a 5% capacity loss in '20 with modest losses since then and no expectation for a return to growth. However, reduced capacity we believe is a net benefit for the remaining chains, and this has been visible of late.



It could imply 2.7% to 3%. But as you look at actually how we're ramping up growth from where we're starting. We're actually building the pipeline...We expect to be in the 3-plus range over the next 5 years. **And we...have a pretty strong pipeline.** – DRI Q4'25 Earnings Call



More importantly, we are positioned to almost double our development pace in 2026; You put that all together and our returns are back in a place where it's a healthy return.... **very confident on the pipeline** – LOCO Q3'25 and Q2'25 Earnings Call

## Appendix 33

### Unit Growth - Public Company Analysis

- We compiled historical and expected unit growth projections for a large sample of US public QSR/Casual Dining concepts, and find that expected unit growth remains strong in 2026

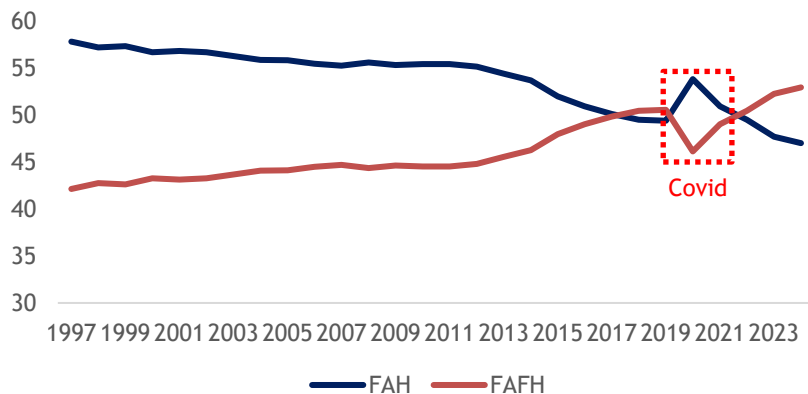
Name	Net Unit CY18	Net Unit CY19	Net Unit CY20	Net Unit CY21	Net Unit CY22	Net Unit CY23	Net Unit CY24	Net Unit CY25E	Net Unit CY26E	Unit Growth CY19	Unit Growth CY20	Unit Growth CY21	Unit Growth CY22	Unit Growth CY23	Unit Growth CY24	Unit Growth CY25E	Unit Growth CY26E
Domino's	5,876	6,126	6,355	6,560	6,686	6,854	7,014	7,184	7,363	4%	4%	3%	2%	3%	2%	2%	2%
Jack in the Box	2,241	2,244	2,237	2,208	2,186	2,192	2,190	2,105	2,063	0%	0%	-1%	-1%	0%	0%	-4%	-2%
Del Taco	580	596	596	600	592	592	589	586	588	3%	0%	1%	-1%	0%	-1%	-1%	0%
MCD	13,914	13,846	13,682	13,443	13,444	13,457	13,557	13,661	13,801	0%	-1%	-2%	0%	0%	1%	1%	1%
Papa John's	3,337	3,288	3,289	3,339	3,376	3,433	3,514	3,568	3,644	-1%	0%	2%	1%	2%	2%	2%	2%
Burger King	7,330	7,346	7,081	7,105	7,042	6,778	6,701	6,662	6,670	0%	-4%	0%	-1%	-4%	-1%	-1%	0%
Tim Horton's	3,955	4,014	3,936	3,949	3,896	3,894	3,886	3,890	3,918	1%	-2%	0%	-1%	0%	0%	0%	1%
Popeye's	2,347	2,476	2,608	2,754	2,921	3,051	3,148	3,231	3,396	5%	5%	6%	6%	4%	3%	3%	5%
KFC	4,074	4,065	3,943	3,953	3,918	3,791	3,669	3,615	3,620	0%	-3%	0%	-1%	-3%	-3%	-1%	0%
Pizza Hut	7,482	7,306	6,561	6,548	6,561	6,593	6,557	6,389	6,221	-2%	-10%	0%	0%	0%	-1%	-3%	-3%
Taco Bell	6,588	6,766	6,799	7,002	7,198	7,405	7,604	7,797	7,965	3%	0%	3%	3%	3%	3%	3%	2%
Habit Burger	-	-	287	318	349	378	383	390	405	-	-	11%	10%	8%	1%	2%	4%
Wendy's	-	5,852	5,881	5,938	5,994	6,030	5,933	5,985	6,036	-	0%	1%	1%	1%	-2%	1%	1%
Dutch Bros	-	370	441	538	671	831	982	1,141	1,308	-	19%	22%	25%	24%	18%	16%	15%
CAVA	-	-	-	-	282	320	378	447	517	-	-	-	-	13%	18%	18%	16%
Chipotle	2,491	2,622	2,768	2,966	3,187	3,437	3,729	4,045	4,408	5%	6%	7%	7%	8%	8%	8%	9%
El Pollo Loco	484	482	479	480	490	495	498	503	515	0%	-1%	0%	2%	1%	1%	1%	2%
Noodles	459	457	454	448	461	470	463	431	419	0%	-1%	-1%	3%	2%	-1%	-7%	-3%
Portillo's	57	62	64	69	72	84	94	106	120	3%	8%	4%	17%	12%	13%	13%	
Shake Shack	208	275	311	369	436	518	580	665	757	32%	13%	19%	18%	19%	12%	15%	14%
Starbucks	14,767	15,188	15,340	15,500	15,952	16,466	17,049	17,385	17,635	3%	1%	1%	3%	3%	4%	2%	-
Wingstop	1,252	1,385	1,538	1,731	1,959	2,214	2,563	3,018	3,442	11%	11%	13%	13%	13%	16%	18%	14%
Average										1%	0%	1%	2%	2%	2%	2%	2%

## Appendix 34: Industry Overview: CFS

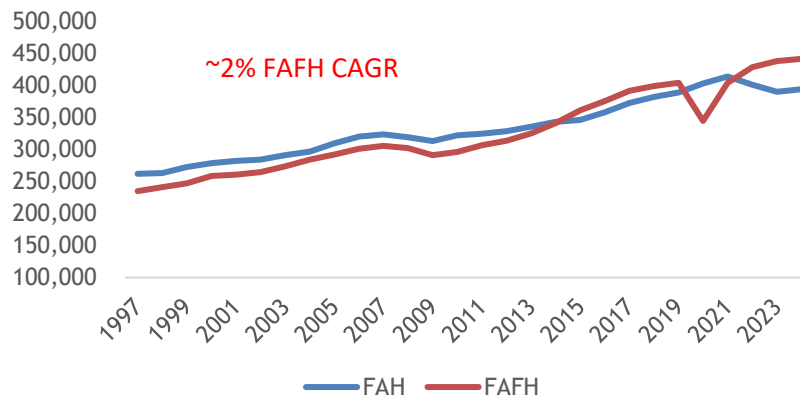
### CFS: Participating in the FAFH Megatrend

- **Middleby** has been a beneficiary of the mega trend that is Food Away from home spending growth taking share away from Food at home.

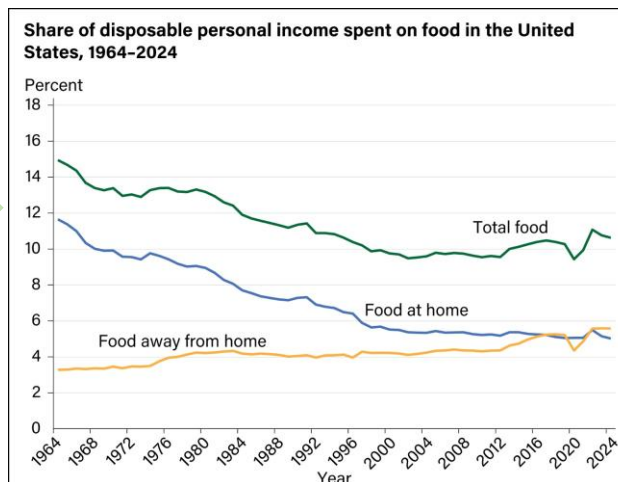
FAH vs FAFH % share of Household Food expenditures (nominal)



Constant Dollar FAH vs FAFH



- Whilst some worry this trend will flat-line or reverse, we think this megatrend will continue in a convenience-based economy as total food spending **remains a low % of total disposable income.**



## Appendix 35

### Lower tariff impact than global peers

- **Takeaway: Middleby has pricing optionality, is less exposed to tariff-driven price inflation, and has greater ability to maintain competitiveness versus international peers if tariffs persist or intensify.**
- We selected 5 SKUs each for Middleby, Rational AG, Hoshizaki, and Whirlpool, and pulled historical dealer prices from the Wayback Machine (2020, 2022, 2024/25).
- Middleby shows the **lowest cumulative price inflation** (+15.7%), reflecting its large US manufacturing footprint and minimal imported finished goods exposure. In contrast, China-dependent peers such as Hoshizaki (+37%) and Rational AG (+22-25%) show significantly higher average price inflation, driven by imported, and explicit tariff-offset price hikes.
- Whirlpool – another US-heavy manufacturer – exhibits similar inflation to Hoshizaki due to input cost inflation
- Peers with heavier offshore / China manufacturing - like Hoshizaki and Rational - have already pushed through high-single to low double-digit list price increases, while Middleby is leaning more on its US manufacturing footprint and operational actions to offset tariffs. That gives Middleby relative pricing optionality and supports the idea of a positive net pricing delta vs. import-heavy peers over the next 12-24 months.

OEM	Avg. Price Increase 2020-2025	Change 2020-2022	Change 2022-2024/25	Tariff Exposure	Reason	SKUs Sampled
Middleby	15.7%	3.4%	9.6%	Low (mostly US-made)	Lowest price inflation implies strong tariff insulation and cost offsetting	TurboChef Bullet, TurboChef Sota, TurboChef Eco, Blodgett 911, Pitco SG14
Rational AG	22.7%	11.6%	12.5%	Medium-High (EU & China expansion)	High-single-digit price hikes and tariff-driven price actions	iCombi Pro 6-Half, iCombi Pro 6-Full, iCombi Classic 6-Full, iCombi Classic 10-Full, VarioCooking Center 112T
Hoshizaki	37.0%	10.0%	34.4%	High (major China hub)	Largest SKU inflation; most reliant on list-price increases	R1A-FS, R2A-FS, R3A-FS, CR1B-F, CRMR27-1
Whirlpool	37.3%	11.8%	22.7%	Medium (tariff winner but still input inflation)	Uses pricing but benefits from domestic footprint	CAE2745FQ Washer, CEM2745FQ Dryer, WRS315SNHM Fridge, WDT730HAMZ Dishwasher, WFG320MOMS Range

# Appendix 36

## SKU Gallery

Middleby



TurboChef Bullet



TurboChef Sota



Blodgett 911



Pitco SG14



Pitco SG14

Rational AG



iCombi Pro 6-Full



iCombi Classic 6-Full



iCombi Classic 10-Full



CR1B-F



CRMR27-1

Hoshizaki



R1A-FS



R2A FS



CR1B-F



CRMR27-1



WFG320M/MS

Whirlpool Corp



CAE7745FO Washer



CEM2145FO Drver



WR33155NHM



WDT730HAMZ



VFG330M9MS