



THE MIDDLEBY CORPORATION

Recommended by Blue Sky Investment Club, Denver
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How does MIDD make money

- Manufactures and services foodservice equipment, food preparation & packaging, & premium kitchen equipment
- Three principal business segments
 - *Commercial food service equipment*
 - *Food processing equipment*
 - *Residential kitchen equipment*

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MIDD Company History

- 1888—Founded by Joseph Middleby and John Marshall
- Privately held until 1976
- 1983—bought by TMC Industries
- Late '90s—Expanded manufacturing overseas
- Early '00s—Streamlining operations

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Leadership Strategies of MIDD

- Current CEO—Selim Bassoul
 - With MIDD since 1996, CEO since 2000
 - Acquisition strategy—acquiring the leading brands in each product line
 - 2016-'17—9 acquisitions
 - 2018—8 including Taylor

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Who MIDD does business with

- Majority of business is in U.S. and Canada
 - Operates around the world
 - MIDD is found in 1 in 3 restaurants of world

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The Machinery Industry—VL

- Morningstar Industrials Sector, Diversified Industrials Industry
- Value Line Machinery industry
 - Timeliness—Top quarter
 - Check geography and end markets

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SWOT--Strengths of MIDD

- Strong track record in integration of acquisitions
- New products to aid operational efficiencies
- Utilizes sales/distribution network
- Utilizes existing customer relationships
- Able to acquire to expand

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SWOT--Weaknesses of MIDD

- Dependent on strength of restaurant business
 - *Rising wage growth*
 - *High employee turnover*
- Lower protein prices hurt margins of food processors
- Dependence on acquisitions

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SWOT--Opportunities for MIDD

- Restaurant growth (convenience/retail)
- Demand for efficiency in labor, food waste, energy & space
- Demand for more food safety
- Increased large order size

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SWOT--Threats to MIDD

- Softness of restaurant business
- Need for acquisitions to drive profits

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