

MIDDLEBY CORP
Form 10-Q
May 12, 2011

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended April 2, 2011

or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File No. 1-9973

THE MIDDLEBY CORPORATION
(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

36-3352497
(I.R.S. Employer Identification No.)

1400 Toastmaster Drive, Elgin, Illinois
(Address of Principal Executive Offices)

60120
(Zip Code)

Registrant's Telephone No., including Area Code (847) 741-3300

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "accelerated filer, large accelerated filer and smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes
o No ý

As of May 6, 2011 there were 18,739,633 shares of the registrant's common stock outstanding.

THE MIDDLEBY CORPORATION AND SUBSIDIARIES

QUARTER ENDED APRIL 2, 2011

INDEX

DESCRIPTION	PAGE	
PART I. FINANCIAL INFORMATION		
Item 1.	Condensed Consolidated Financial Statements (unaudited)	
	CONDENSED CONSOLIDATED BALANCE SHEETS April 2, 2011 and January 1, 2011	1
	CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS April 2, 2011 and April 3, 2010	2
	CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS April 2, 2011 and April 3, 2010	3
	NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	4
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	22
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	30
Item 4.	Controls and Procedures	33
PART II. OTHER INFORMATION		
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	34
Item 6.	Exhibits	35

PART I. FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

THE MIDDLEBY CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In Thousands, Except Share Data)
(Unaudited)

	April 2, 2011	January 1, 2011
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 9,258	\$ 7,656
Accounts receivable, net of reserve for doubtful accounts of \$7,925 and \$7,975	111,774	112,049
Inventories, net	116,225	106,463
Prepaid expenses and other	10,308	11,971
Current deferred taxes	25,667	25,520
Total current assets	273,232	263,659
Property, plant and equipment, net of accumulated depreciation of \$50,480 and \$47,355		
	44,268	43,656
Goodwill	370,752	369,989
Other intangibles	187,085	189,254
Other assets	6,427	6,614
Total assets	\$ 881,764	\$ 873,172
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term debt	\$ 6,141	\$ 5,097
Accounts payable	46,780	52,945
Accrued expenses	102,517	125,810
Total current liabilities	155,438	183,852
Long-term debt	233,455	208,920
Long-term deferred tax liability	12,672	11,858
Other non-current liabilities	44,245	43,629
Stockholders' equity:		
Preferred stock, \$0.01 par value; nonvoting; 2,000,000 shares authorized; none issued	—	—
Common stock, \$0.01 par value; 47,500,000 shares authorized; 23,086,993 and 22,691,821 shares issued in 2011 and 2010, respectively	137	137
Paid-in capital	181,611	179,575
Treasury stock at cost; 4,347,360 and 4,233,810 shares in 2011 and 2010, respectively	(120,472)	(111,019)
Retained earnings	378,079	360,254
Accumulated other comprehensive income	(3,401)	(4,034)
Total stockholders' equity	435,954	424,913
Total liabilities and stockholders' equity	\$ 881,764	\$ 873,172

See accompanying notes

THE MIDDLEBY CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
(In Thousands, Except Per Share Data)
(Unaudited)

	Three Months Ended	
	Apr 2, 2011	Apr 3, 2010
Net sales	\$ 182,572	\$ 160,683
Cost of sales	110,742	97,210
Gross profit	71,830	63,473
Selling expenses	20,568	17,625
General and administrative expenses	19,898	19,413
Income from operations	31,364	26,435
Net interest expense and deferred financing amortization	2,060	2,475
Other (income) expense, net	(162)	344
Earnings before income taxes	29,466	23,616
Provision for income taxes	11,641	9,854
Net earnings	\$ 17,825	\$ 13,762
Net earnings per share:		
Basic	\$ 1.00	\$ 0.78
Diluted	\$ 0.97	\$ 0.74
Weighted average number of shares		
Basic	17,901	17,754
Dilutive stock options ¹	544	962
Diluted	18,445	18,716

1 There were no anti-dilutive stock options excluded from common stock equivalents for any period presented.

See accompanying notes