

MIDDLEBY CORP
Form 10-Q
August 07, 2008

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 June 28, 2008

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 is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition 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

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

As of August 1, 2008, there were 16,998,785 shares of the registrant's common stock outstanding.

THE MIDDLEBY CORPORATION AND SUBSIDIARIES**QUARTER ENDED JUNE 28, 2008**

<u>DESCRIPTION</u>	<u>INDEX</u>	<u>PAGE</u>
PART I. FINANCIAL INFORMATION		
Item 1.	Condensed Consolidated Financial Statements (unaudited)	
	CONDENSED CONSOLIDATED BALANCE SHEETS June 28, 2008 and December 29, 2007	1
	CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS June 28, 2008 and June 30, 2007	2
	CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS June 28, 2008 and June 30, 2007	3
	NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	4
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	23
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	33
Item 4.	Controls and Procedures	36
PART II. OTHER INFORMATION		
Item 1A.	Risk Factors	37
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	37
Item 6.	Exhibits	37

PART I. FINANCIAL INFORMATION**Item 1. Condensed Consolidated Financial Statements**

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

<u>ASSETS</u>	Jun. 28, 2008	Dec. 29, 2007
Current assets:		
Cash and cash equivalents	\$ 7,049	\$ 7,463
Accounts receivable, net of reserve for doubtful accounts of \$7,427 and \$5,818	102,783	73,090
Inventories, net	91,574	66,438
Prepaid expenses and other	9,804	10,341
Prepaid taxes	6,303	17,986
Current deferred taxes	14,614	11,095
Total current assets	232,127	186,413
Property, plant and equipment, net of accumulated depreciation of \$43,829 and \$41,114		
	46,208	36,774
Goodwill	247,929	134,800
Other intangibles	127,438	52,581
Other assets	3,041	3,079
Total assets	\$ 656,743	\$ 413,647
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current liabilities:		
Current maturities of long-term debt	\$ 8,705	\$ 2,683
Accounts payable	42,868	26,576
Accrued expenses	92,772	95,581
Total current liabilities	144,345	124,840
Long-term debt	265,868	93,514
Long-term deferred tax liability	24,777	2,568
Other non-current liabilities	22,617	9,813
Stockholders' equity:		
Preferred stock, \$0.01 par value; nonvoting; 2,000,000 shares authorized; none issued	--	--
Common stock, \$0.005 par value; 47,500,000 shares authorized; 21,008,936 and 20,732,836 shares issued in 2008 and 2007, respectively	120	120
Paid-in capital	101,861	104,782
Treasury stock at cost; 4,069,913 and 3,855,044 shares in 2008 and 2007, respectively	(102,000)	(89,641)
Retained earnings	197,194	166,896
Accumulated other comprehensive income	1,961	755
Total stockholders' equity	199,136	182,912
Total liabilities and stockholders' equity	\$ 656,743	\$ 413,647

See accompanying notes

THE MIDDLEBY CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

(In Thousands, Except Per Share Data)

(Unaudited)

	Three Months Ended		Six Months Ended	
	Jun. 28, 2008	Jun. 30, 2007	Jun. 28, 2008	Jun. 30, 2007
Net sales	\$ 173,513	\$ 113,248	\$ 334,396	\$ 218,943
Cost of sales	106,505	68,362	208,486	132,952
Gross profit	67,008	44,886	125,910	85,991
Selling expenses	16,676	11,952	32,921	23,068
General and administrative expenses	17,840	11,732	34,481	22,915
Income from operations	32,492	21,202	58,508	40,008