

MIDDLEBY CORP  
Form 10-Q/A  
March 28, 2003

**FORM 10-Q/A**

**Amendment No. 1**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

(Mark One)

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

**For the period ended June 29, 2002**

or

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

Commission File No. 1-9973

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**THE MIDDLEBY CORPORATION**

(Exact Name of Registrant as Specified in its Charter)

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**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 twelve (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

As of August 9, 2002, there were 8,973,547 shares of the registrant's common stock outstanding.

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**THE MIDDLEBY CORPORATION AND SUBSIDIARIES**
**QUARTER ENDED JUNE 29, 2002**
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**Explanatory Note**

This amendment on Form 10-Q/A (Amendment No. 1) amends the company's quarterly report on Form 10-Q for the period ended June 29, 2002, as filed with the Securities and Exchange Commission on August 19, 2002, and is being filed to reflect the restatement of the company's consolidated financial statements. The significant effects of this restatement on the financial statements are presented in Note 2 to the consolidated financial statements and Item 2 in Part I of this amended quarterly report on Form 10-Q/A (Amendment No. 1). This amendment incorporates certain revisions to historical financial data and related descriptions but is not intended to update other information presented in this quarterly report as originally filed, except where specifically noted.

This amended quarterly report on Form 10-Q/A (Amendment No. 1) contains certain forward-looking statements that are based on the beliefs of, and estimates made by and information currently available to the company's management. The words "expect," "anticipate," "intend," "plan" and similar expressions identify forward-looking statements. These statements are subject to risks and uncertainties. Actual results could differ materially

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from those discussed here. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in Factors That May Affect Our Future Operating Results and elsewhere in the company's annual report on Form 10-K/A (Amendment No. 1).

**PART I. FINANCIAL INFORMATION**

**THE MIDDLEBY CORPORATION AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS**

(In Thousands, Except Share Amounts)  
(Unaudited)

	(as restated(1))	
	Jun. 29, 2002	Dec. 29, 2001
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,498	\$ 5,997
Accounts receivable, net of reserve for doubtful accounts of \$3,447 and \$2,913	29,219	25,158
Inventories, net	27,283	29,115
Prepaid expenses and other	1,176	1,178
Current deferred taxes	11,723	11,291
	<u>                    </u>	<u>                    </u>
Total current assets	72,899	72,739
Property, plant and equipment, net of accumulated depreciation of \$24,580 and \$22,185	28,941	30,598
Goodwill	74,005	74,005
Other intangibles	26,300	26,466
Other assets	6,808	7,589
	<u>                    </u>	<u>                    </u>
Total assets	\$ 208,953	\$ 211,397
	<u>                    </u>	<u>                    </u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current maturities of long-term debt	\$ 13,500	\$ 10,047
Accounts payable	16,654	11,491
Accrued expenses	38,946	38,438
	<u>                    </u>	<u>                    </u>
Total current liabilities	69,100	59,976
Long-term debt	70,043	86,152
Long-term deferred tax liability	8,698	8,698
Other non-current liabilities	17,705	17,162
Stockholders' equity:		
Preferred stock, \$.01 par value; nonvoting; 2,000,000 shares authorized; none issued	110	110
Common stock, \$.01 par value; 20,000,000 shares authorized; 11,026,021 and 11,024,396 issued in 2002 and 2001, respectively	(290)	(290)
Shareholder receivable	54,013	53,884
Paid-in capital	(11,997)	(11,997)
Treasury stock at cost; 2,052,474 shares in 2002 and 2001, respectively	2,825	(1,029)
Retained earnings (accumulated deficit)	(1,254)	(1,269)
Accumulated other comprehensive loss	(1,254)	(1,269)
	<u>                    </u>	<u>                    </u>
Total stockholders' equity	43,407	39,409
	<u>                    </u>	<u>                    </u>
Total liabilities and stockholders' equity	\$ 208,953	\$ 211,397

(1) See Note 2.

See accompanying notes

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

	Three Months Ended		Six Months Ended	
	Jun. 29, 2002	Jun. 30, 2001	Jun. 29, 2002	Jun. 30, 2001
Net sales	\$ 62,478	\$ 25,293	\$ 116,969	\$ 50,040
Cost of sales	40,957	17,059	77,555	33,634
Gross profit	21,521	8,234	39,414	16,406
Selling and distribution expenses	7,312	3,561	14,533	7,178
General and administrative expenses	6,013	2,425	11,964	5,143
Income from operations	8,196	2,248	12,917	4,085
Interest expense and deferred financing amortization	3,024	178	6,122	333
Loss (gain) on acquisition financing derivatives	579		(14	)
Other (income) expense, net	(311	) 398	(89	) 596
Earnings before income taxes	4,904	1,672	6,898	3,156
Provision for income taxes	2,090	996	3,044	1,931
Net earnings	\$ 2,814	\$ 676	\$ 3,854	\$ 1,225
Net earnings per share:				
Basic	\$ 0.31	\$ 0.08	\$ 0.43	\$ 0.14
Diluted	\$ 0.31	\$ 0.08	\$ 0.43	\$ 0.14
Weighted average number of shares:				
Basic	8,974	8,981	8,973	8,987
Dilutive stock options(1)	108	17	58	19
Diluted	9,082	8,998	9,031	9,006

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(1) Excludes 65,000 and 183,000 of stock options for the three and six months ended June 30, 2001 respectively, with exercise prices from \$7.06 to \$9.63 which were anti-dilutive.

See accompanying notes

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**THE MIDDLEBY CORPORATION AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

**(In Thousands)**  
**(Unaudited)**

	<b>Six Months Ended</b>	
	<b>Jun. 29, 2002</b>	<b>Jun. 30, 2001</b>
	<b>(as restated(1))</b>	
Cash flows from operating activities-		
Net earnings	\$ 3,854	\$ 1,225
Adjustments to reconcile net earnings to cash provided by operating activities:		
Depreciation and amortization	3,711	1,855
Non-cash portion of tax provision	(432)	) 1,205
Unrealized (gain) loss on derivative financial instruments	(14)	)
Unpaid interest on seller notes (2)	1,277	
Unpaid interest on subordinated senior notes (2)	254	
Changes in assets and liabilities-		
Accounts receivable, net	(4,061)	) 3,147
Inventories, net	1,832	(1,254)
Prepaid expenses and other assets	(36)	) (1,135)
Accounts payable	5,163	(3,022)
Accrued expenses and other liabilities	1,188	(4,331)
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Net cash provided by (used in) operating activities	12,736	(2,310)
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