

MIDDLEBY CORP
Form 10-Q/A
August 16, 2004

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q/A

Amendment No. 1

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the period ended APRIL 3, 2004

or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

Commission File Number: 1-9973

THE MIDDLEBY CORPORATION

(Exact name of registrant as specified in its charter)

DELAWARE

36-3352497

(State or other jurisdiction of incorporation or
organization)

(I.R.S. Employer Identification No.)

1400 TOASTMASTER DRIVE, ELGIN, IL

60120

(Address of principal executive offices)

(Zip Code)

(Registrant's telephone number, 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

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

As of May 14, 2004, there were 9,222,250 shares of the registrant's common stock outstanding.

THE MIDDLEBY CORPORATION AND SUBSIDIARIES

QUARTER ENDED APRIL 3, 2004

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Explanatory Note

Subsequent to the issuance of the company's financial statements for the quarter ended April 3, 2004, it was determined that the costs incurred for shipping and handling should have been classified as a component of cost of sales rather than as a reduction of net sales in accordance with EITF Abstract No. 00-10, "Accounting for Shipping and Handling Fees and Costs." This amendment on Form 10-Q/A (Amendment No. 1) amends the company's quarterly report on Form 10-Q for the period ended April 3, 2004, as filed with the Securities and Exchange Commission on May 17, 2004, 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). Except for Items 1, 2 and 4 in Part I and Item 6 in Part II of this document, no other information included in the original Form 10-Q is amended by this 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.

PART I. FINANCIAL INFORMATION**THE MIDDLEBY CORPORATION AND SUBSIDIARIES**
CONDENSED CONSOLIDATED BALANCE SHEETS**(In Thousands, Except Share Amounts)****(Unaudited)**

	<u>Apr. 3, 2004</u>	<u>Jan. 3, 2004</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 3,073	\$ 3,652
Accounts receivable, net of reserve for doubtful accounts of \$3,172 and \$3,146	25,446	23,318
Inventories, net	28,904	25,382
Prepaid expenses and other	1,220	1,776
Current deferred taxes	12,907	12,839
	<hr/>	<hr/>
Total current assets	71,550	66,967
Property, plant and equipment, net of accumulated depreciation of \$29,886 and \$29,146	24,132	24,921
Goodwill	74,761	74,761
Other intangibles	26,300	26,300
Other assets	1,430	1,671
	<hr/>	<hr/>
Total assets	\$ 198,173	\$ 194,620
	<hr/>	<hr/>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current maturities of long-term debt	\$ 15,975	\$ 14,500
Accounts payable	15,455	11,901
Accrued expenses	34,899	37,076
	<hr/>	<hr/>
Total current liabilities	66,329	63,477
Long-term debt	37,675	42,000
Long-term deferred tax liability	8,264	8,264
Other non-current liabilities	18,042	18,789
Stockholders' equity:		
Preferred stock, \$.01 par value; nonvoting; 2,000,000 shares authorized; none issued		
Common stock, \$.01 par value; 20,000,000 shares authorized; 11,269,521 and 11,257,021 issued		
in 2004 and 2003, respectively	113	113
Paid-in capital	55,365	55,279
Treasury stock at cost; 2,047,271 shares in 2004 and 2003	(12,463)	(12,463)
Retained earnings	27,061	21,470
Accumulated other comprehensive loss	(2,213)	(2,309)
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Total stockholders' equity	67,863	62,090
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Total liabilities and stockholders' equity	\$ 198,173	\$ 194,620
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See accompanying notes

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

	(as restated ¹)	
	Three Months Ended	
	Apr. 3, 2004	Mar. 29, 2003
Net sales	\$ 62,463	\$ 56,393
Cost of sales	39,287	37,341
 Gross profit	 23,176	 19,052
Selling and distribution expenses	7,376	7,162
General and administrative expenses	5,696	5,483
 Income from operations	 10,104	 6,407
Net interest expense and deferred financing amortization	897	1,714
Gain on acquisition financing derivatives	(2)	(69)
Other expense, net	194	135
 Earnings before income taxes	 9,015	 4,627
Provision for income taxes	3,424	2,018
 Net earnings	 \$ 5,591	 \$ 2,609
 Net earnings per share:		
Basic	\$ 0.61	\$ 0.29
Diluted	\$ 0.56	\$ 0.28
 Weighted average number of shares:		
Basic	9,219	9,028
Dilutive stock options	749	276
 Diluted	 9,968	 9,304

¹ See Note 2.

See accompanying notes

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

	Three Months Ended	
	Apr. 3, 2004	Mar. 29, 2003
Cash flows from operating activities-		
Net earnings	\$ 5,591	\$ 2,609
Adjustments to reconcile net earnings to cash provided by operating activities:		
Depreciation and amortization	966	1,021
Deferred taxes	(68)	1,826
Unrealized gain on derivative financial instruments	(2)	(69)
Unpaid interest on seller notes(1)		240
Changes in assets and liabilities-		
Accounts receivable, net	(2,128)	(415)
Inventories, net	(3,522)	(2,598)
Prepaid expenses and other assets	691	71
Accounts payable	3,554	(526)
Accrued expenses and other liabilities	(2,826)	502
	2,256	2,661
Net cash provided by operating activities		
Cash flows from investing activities-		
Net additions to property and equipment	(71)	(182)
Acquisition of Blodgett	(1,000)	
	(1,071)	(182)
Net cash (used in) investing activities..		
Cash flows from financing activities-		
Proceeds under revolving credit facilities, net	1,400	-
Net repayments under senior secured bank notes	(3,250)	(3,000)
Repayments of foreign bank loan		(600)
Other financing activities, net	86	9
	(1,764)	(3,591)
Net cash (used in) financing activities		
Effect of exchange rates on cash and cash equivalents		(1)
Changes in cash and cash equivalents-		
Net (decrease) increase in cash and cash equivalents	(579)	(1,113)
Cash and cash equivalents at beginning of year	3,652	8,378
	\$ 3,073	\$ 7,265
Cash and cash equivalents at end of quarter		

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Supplemental disclosure of cash flow information:

Interest paid	\$	885	\$
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