



# Q3 2016 presentation

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## Q3 2016: Solid performance with 14.2% EBIT



- Revenue of €235 million
  - Q3 2015: 189m, pro forma 230m
- Order intake of €233 million
  - Q3 2015: 211m, pro forma 261m
- Order book €305 million
  - Q3 2015: 188m, pro forma 304m
- EBIT\* €33.4 million or 14.2%
  - Adj. EBIT\*\* Q3 2015: 12.8%, pro forma 13.8%
- EPS 2.42 euro cents compared with 2.07 in Q3 2015



*\*Adjustments in Q3 2016 consist of a €6.7 million amortization of acquisition related intangible assets (PPA)*

*\*\* Adjusted for refocusing cost related to the refocusing program Simpler, Smarter, Faster.*



## POULTRY

Strong order intake across the board, solid revenue and profitability

Key projects secured in North-America and Europe in Q3

54% of revenue  
17.3% EBIT margin



## MEAT

Unified sales team secured full-line projects in China and Germany

Integration on track and solid project execution

33% of revenue  
14.4% EBIT\* margin



## FISH

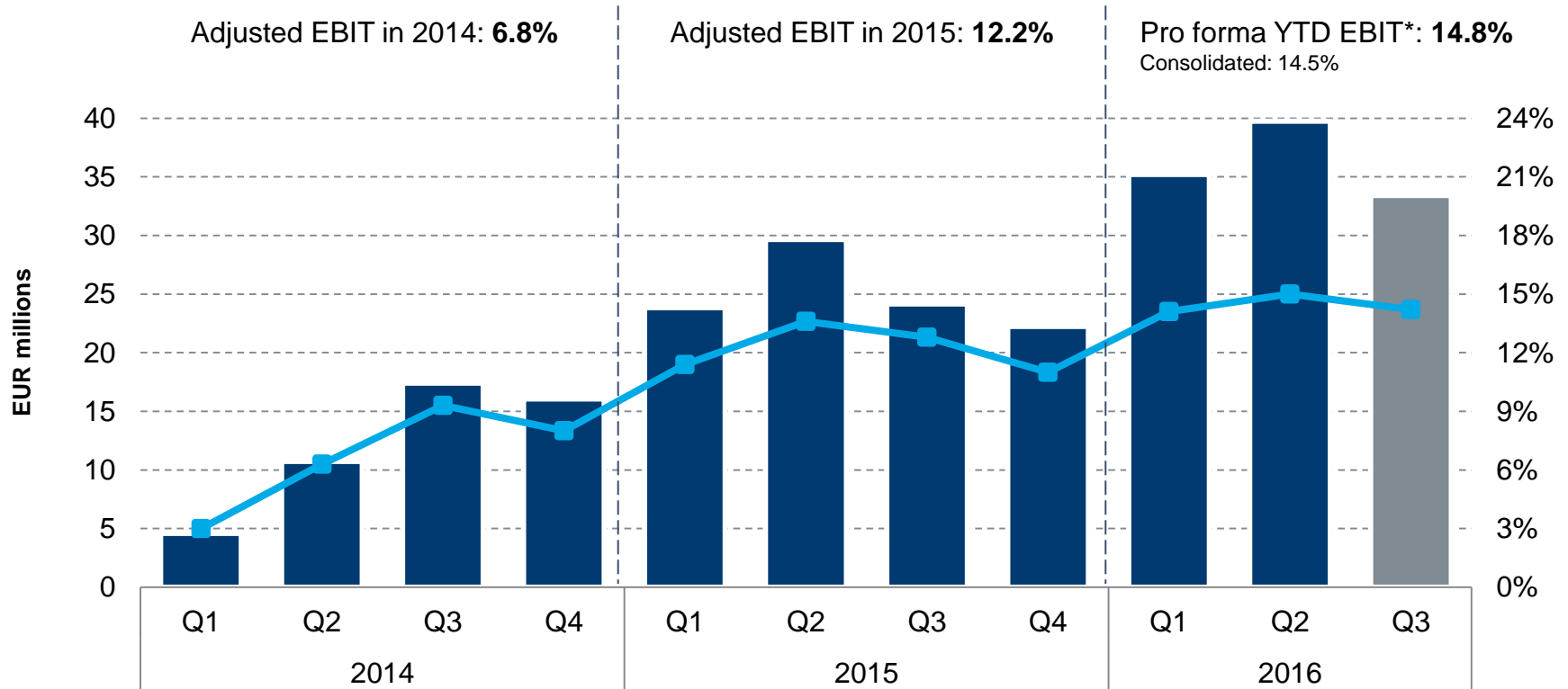
Order intake and revenue lower than last year

Results partly affected by discontinued operations

In October large greenfield project in the Salmon industry was secured in Norway

12% of revenue  
3.6% EBIT margin

# On track towards best in class profitability



■ EBIT    ■ EBIT as % of revenue

\* Operating income adjusted for amortization of acquisition-related intangible assets (PPA)



# Consolidated accounts

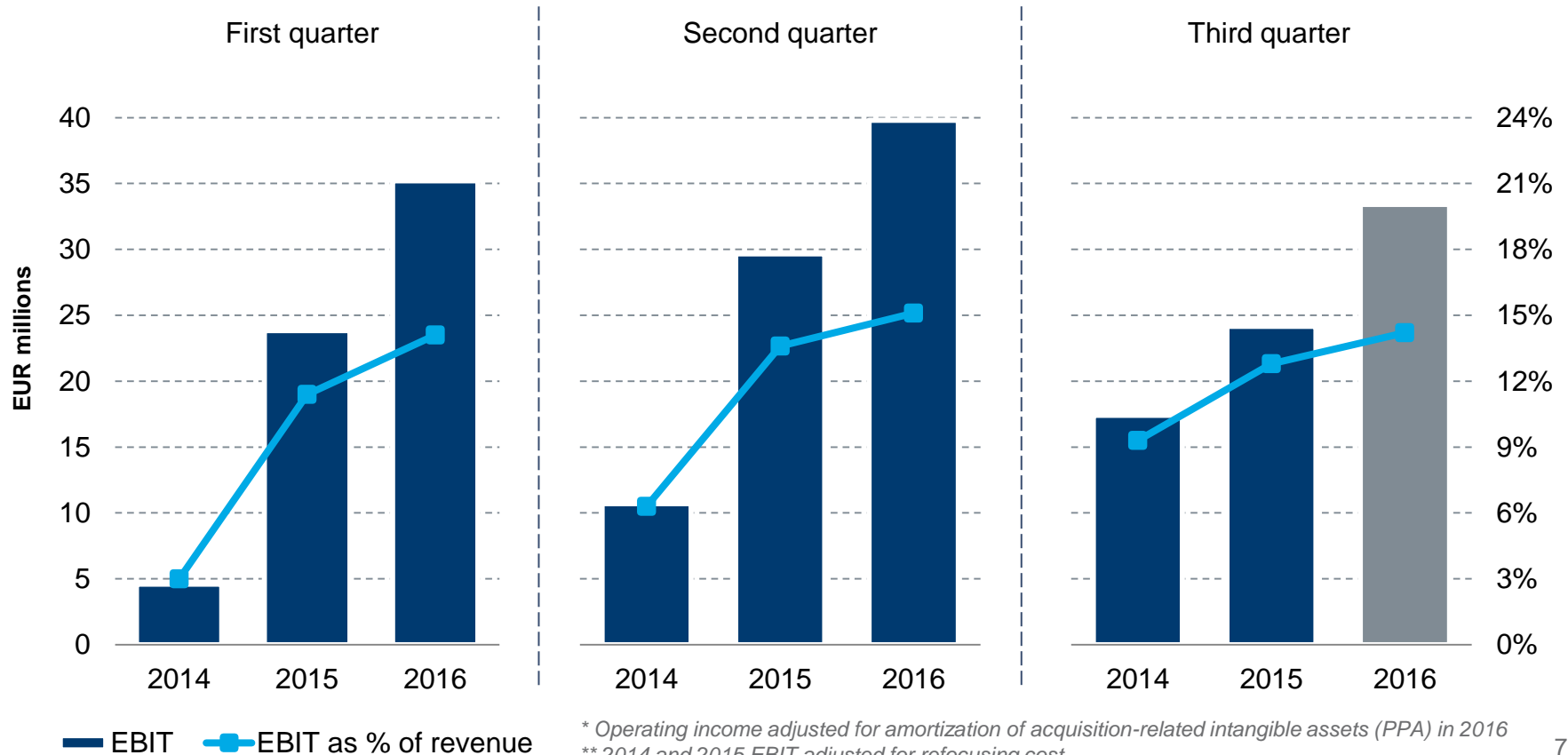
# Consolidated: Third quarter financial results



<i>EUR thousands</i>	Q3 2016	Q3 2015	Change in %
Revenue .....	234,806	189,106	24.2
Gross profit .....	94,019	73,923	27.2
<i>as a % of revenue</i>	40.0	39.1	
<b>Before PPA</b>			
Result from operations (EBIT) .....	33,402	24,166**	38.2
<i>as a % of revenue</i>	14.2	12.8	
EBITDA .....	41,527	31,636**	31.3
<i>as a % of revenue</i>	17.7	16.7	
<b>After PPA</b>			
Result from operations (EBIT) .....	26,656	22,206	20.0
<i>as a % of revenue</i>	11.4	11.7	
EBITDA .....	41,527	29,686	39.9
<i>as a % of revenue</i>	17.7	15.7	
Net result .....	17,328	14,698	17.9

\*\* Results are adjusted for refocusing costs related to the refocusing program *Simpler, Smarter, Faster*.

# Development of quarterly EBIT in the last three years

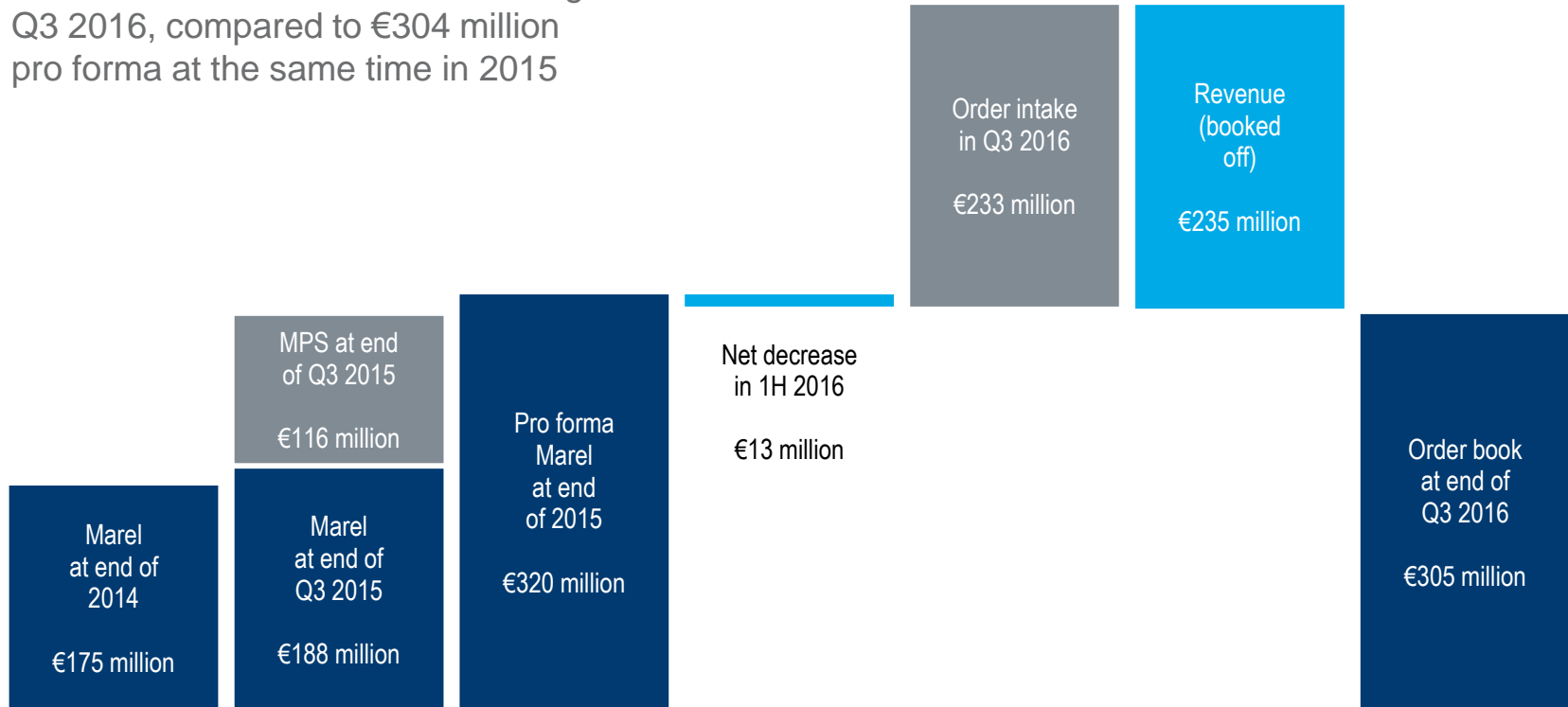


\* Operating income adjusted for amortization of acquisition-related intangible assets (PPA) in 2016

\*\* 2014 and 2015 EBIT adjusted for refocusing cost.

# Order book at a good level

- Order book of €305 million at closing of Q3 2016, compared to €304 million pro forma at the same time in 2015





# Consolidated: Balance sheet



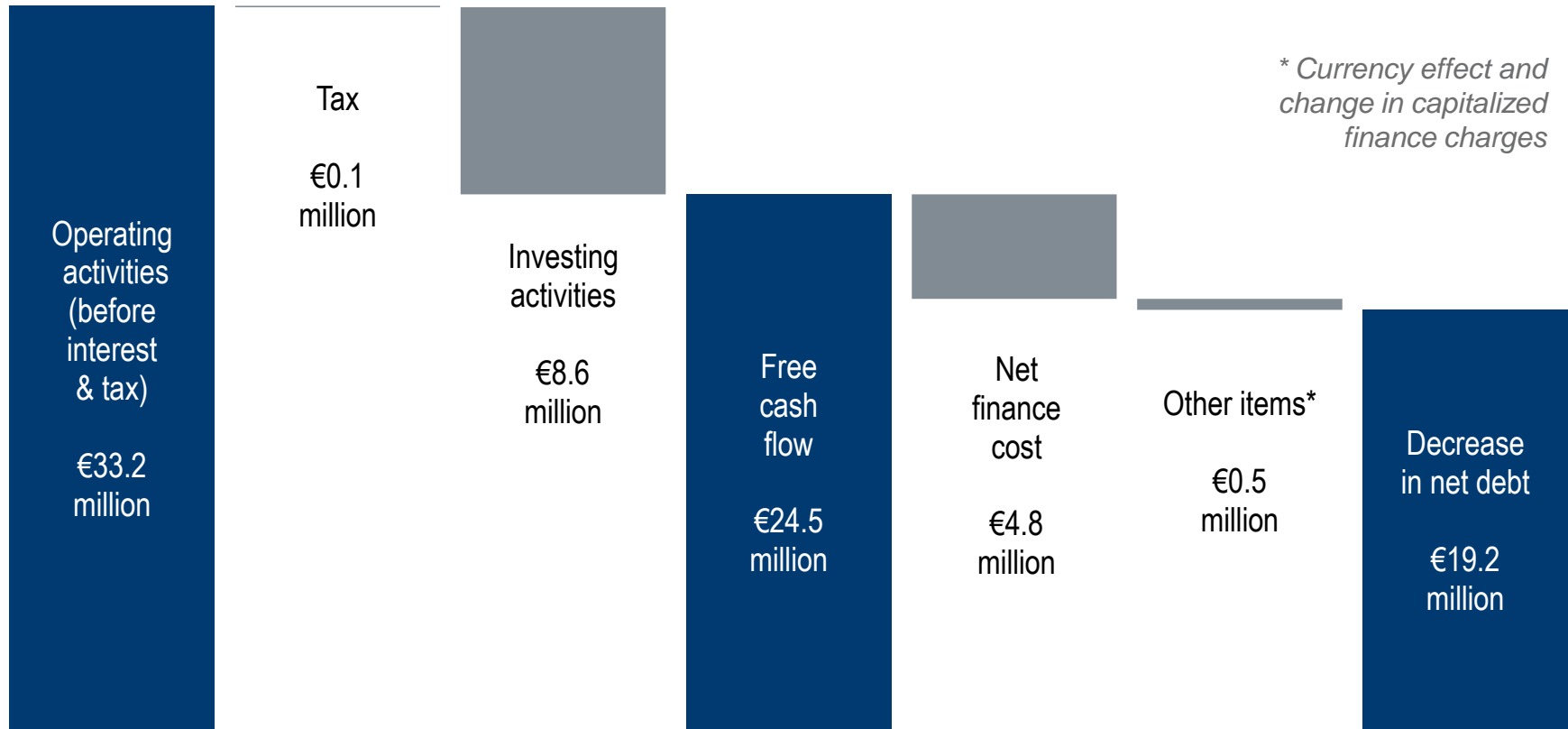
<b>ASSETS</b> <i>(EUR thousands)</i>	<b>30/9 2016</b>	<b>31/12 2015</b>
<b>Non-current assets</b>		
Property, plant and equipment .....	113,652	89,005
Goodwill .....	633,425	389,407
Other intangible assets .....	286,069	107,018
Trade receivables .....	235	443
Deferred income tax assets .....	8,942	10,029
	1,042,323	595,902
<b>Current assets</b>		
Inventories .....	123,692	99,382
Production contracts .....	44,578	17,261
Trade receivables .....	101,815	99,696
Assets held for sale .....	-	3,799
Other receivables and prepayments .....	41,518	29,139
Cash and cash equivalents .....	22,546	92,976
	334,149	342,253
<b>Total assets</b>	<b>1,376,472</b>	<b>938,155</b>

# Consolidated: Balance sheet



LIABILITIES AND EQUITY <i>(EUR thousands)</i>	30/9 2016	31/12 2015
<b>Equity</b>	<b>505,087</b>	<b>446,739</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings .....	441,513	217,287
Deferred income tax liabilities .....	63,914	15,943
Provisions .....	6,847	6,943
Derivative financial instruments .....	9,150	3,057
	<hr/> 541,424	<hr/> 243,230
<b>Current liabilities</b>		
Production contracts.....	134,327	78,330
Trade and other payables .....	160,804	139,227
Derivative financial instruments .....	45	-
Current income tax liabilities .....	14,964	3,221
Borrowings .....	24,401	18,449
Provisions .....	15,420	8,959
	<hr/> 349,961	<hr/> 248,186
<b>Total liabilities</b>	<b>871,385</b>	<b>491,416</b>
<b>Total equity and liabilities</b>	<b><u>1,376,472</u></b>	<b><u>938,155</u></b>

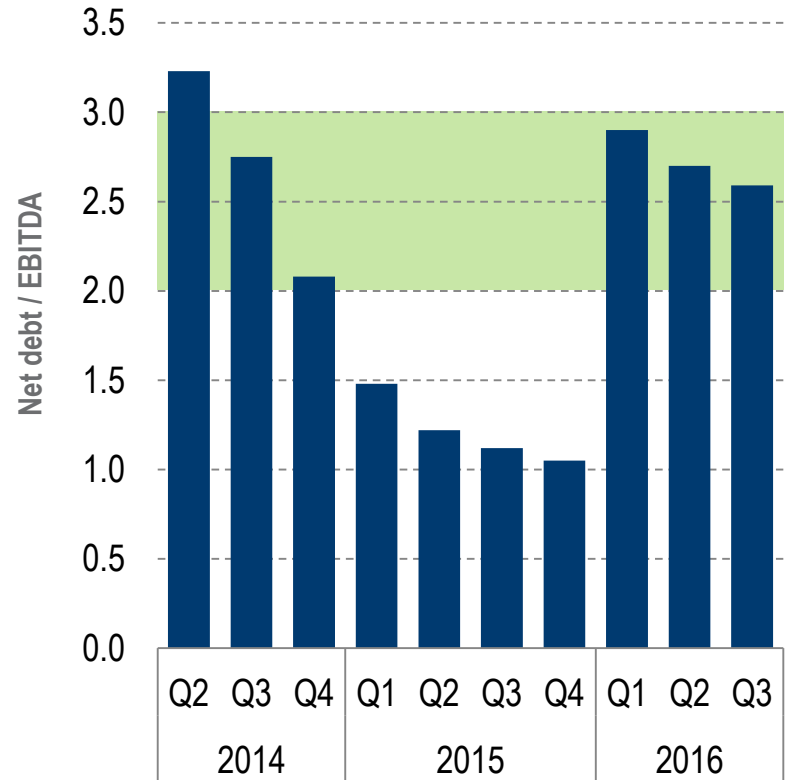
# Q3 2016 cash flow composition and change in net debt



# Marel generating a healthy cash flow



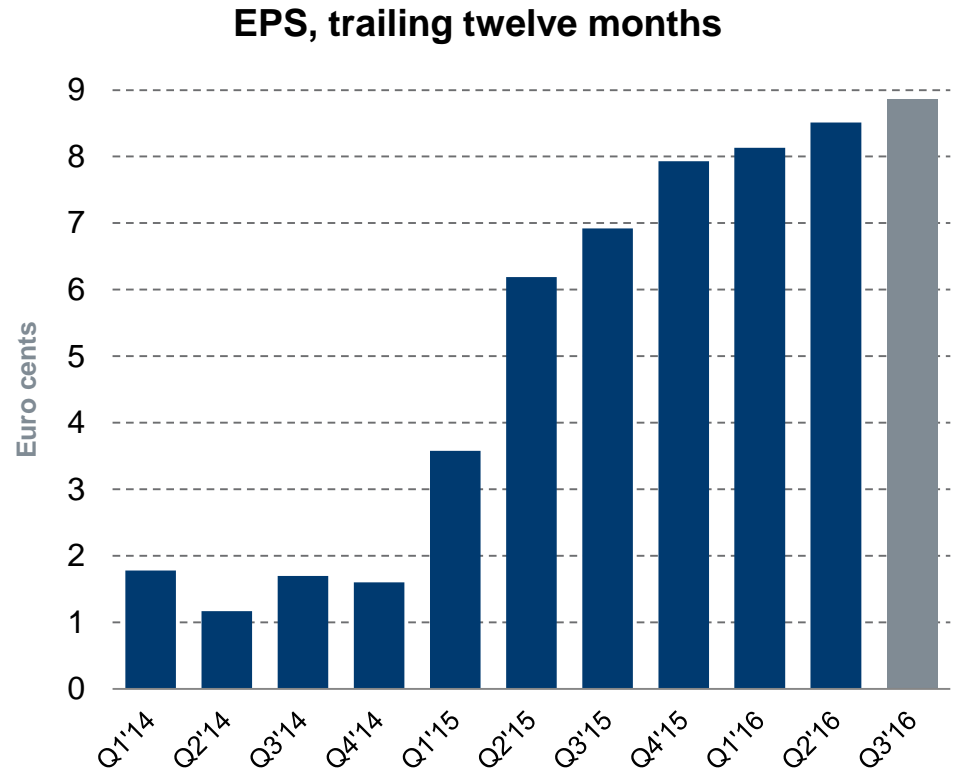
- Net debt / EBITDA leverage of 2.6x at end of the quarter
  - Acquisition of MPS completed within the targeted capital structure with senior loans without issuing any new shares
- Marel is stimulating further revenue and operational profit growth by:
  - Streamlining the business
  - Continuous innovation
  - Investing in the business



# Development of basic earnings per share (EPS)



- EPS in the third quarter of 2016 is 17% higher compared to Q3 2015
- Year to date, EPS has increased by 14% between years
- EPS is affected by Purchase Price Allocation (PPA) in accordance to IFRS
  - After Q2 2017, the PPA effect will decrease significantly, boosting EPS further assuming no material adverse development





# Business & Outlook

**ADVANCING  
FOOD PROCESSING**

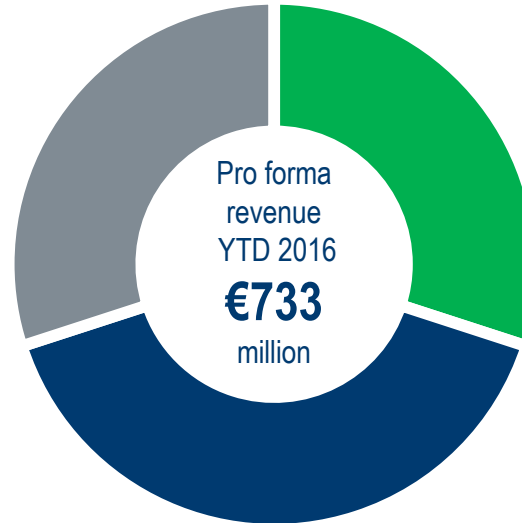


# Strong business model supporting future growth



## Modernization and standard equipment ►

- Good volume in standard equipment across all industries and geographies



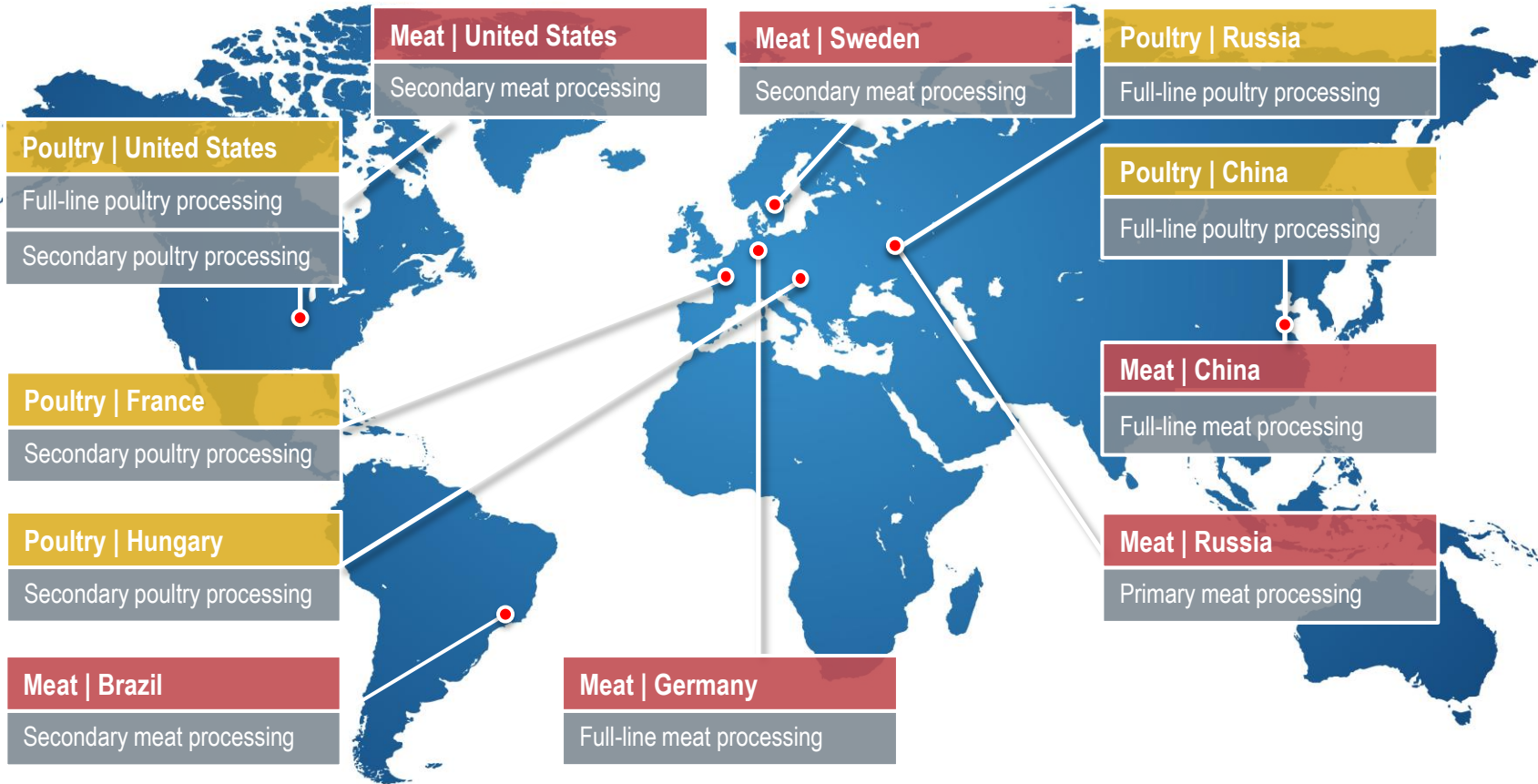
## ◀ Greenfields

- Greenfield projects secured in the U.S., Europe, Brazil and China in the first 9 months of 2016

## Maintenance ▲

- Marel has the largest installment base in its industry
- Recurring service and spare parts revenues increasing steadily and are currently around 40% of total revenues

# Examples of large projects in the first nine months of 2016





# Lerøy & Marel – the next generation of salmon processing



- Following the recent acquisition of Havfisk and Norway Seafood Group, Lerøy has become a major player in both salmon and whitefish processing
- Lerøy is building a state-of-the-art salmon factory in Norway
  - Will have all the latest technology in the salmon industry available setting new benchmarks
  - Marel and Lerøy are showing true innovation through partnership in this groundbreaking project that will drive the industry forward



- History:** Operations trace back to 1899
- Revenue:** €1.5 billion in 2015
- Did you know?** Lerøy supplies 4 million meals of seafood every day
- Market leader:** In June 2016, Lerøy acquired controlling interest in Havfisk and Norway Seafood Group

## Pro forma FY2015

Revenue €977m  
Adj. EBIT\*\* €133m  
Order book €320m

## Pro forma 9M 2016

Revenue €733m  
EBIT\* €108.4m  
Order book €305m

## Business Outlook 2016

Marel expects modest organic revenue growth and increase in EBIT\* between years

\* Operating income adjusted for amortization of acquisition-related intangible assets (PPA).  
\*\* Adjusted for refocusing cost related to the refocusing program *Simpler, Smarter, Faster*.



Thank you

**ADVANCING  
FOOD PROCESSING**

