
Annual General Meeting 2023

CONNECT
INNOVATE
TRANSFORM

A large, abstract graphic on the right side of the slide. It consists of multiple concentric, overlapping lines in various shades of blue and white, forming a circular, tunnel-like shape that recedes into the distance.

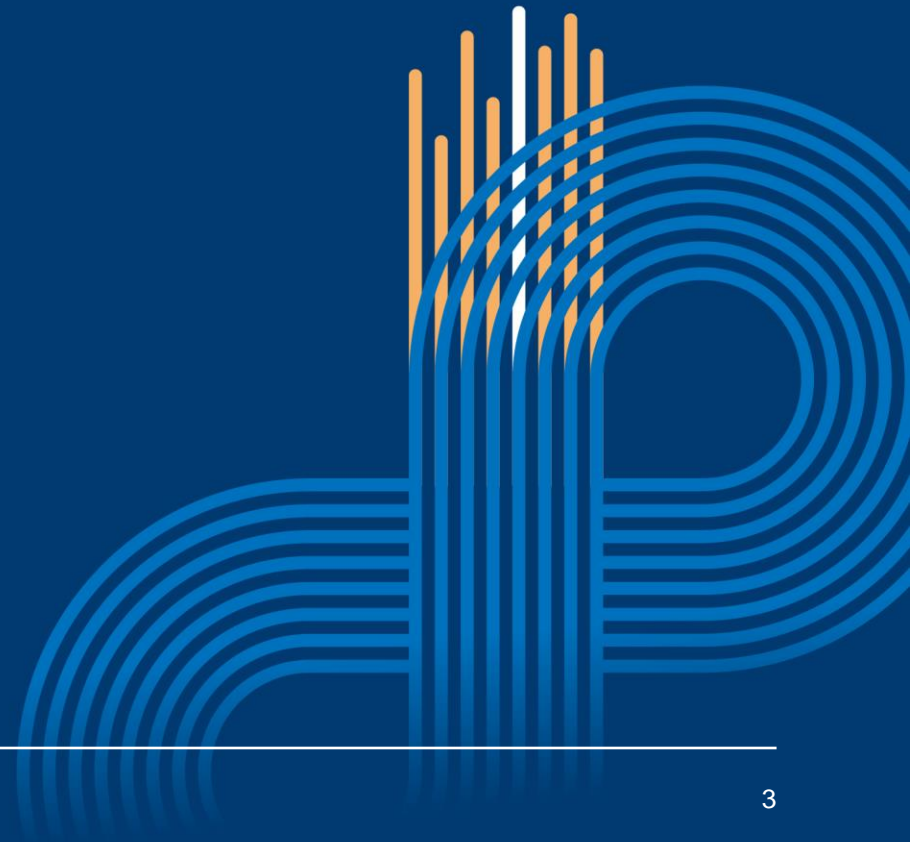
Agenda

1. Opening remarks. Election of Chair and Secretary of the meeting
2. Board of Directors' report on activities of the Company for the previous operating year
3. CEO's operational report
4. Submission of the annual accounts of the Company for the preceding year for confirmation
5. Decision on how to address the profit from the Company's operations for the year 2022
6. Report on the execution of the Company's remuneration policy
7. Proposal on the Company's remuneration policy
8. Proposal on the Company's share-based incentive scheme
9. Decision on remuneration to the members of the Board of Directors for the year 2023
10. Decision on remuneration of the Company's auditors for the preceding year of operation
11. Board of Directors' proposals concerning changes to the Company's Articles of Association
12. Election of the Board of Directors
13. Election of the Company's auditors
14. Proposal to renew authorization to the Board of Directors to purchase treasury shares of the Company
15. Any other business lawfully presented and close of the meeting

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Report of the Board of Directors

Arnar Thor Masson,
Chairman of the Board of Directors





40 years and counting

It all began at the University of Iceland with a visionary idea for a digital marine scale that would revolutionize the fishing industry. Since then, we have continued to count significant milestones on our journey of transforming food processing, and now we celebrate our 40th anniversary.

Our groundbreaking technologies in hardware and software are designed with a laser focus on sustainability to raise yield with less waste. We are a dynamic team of over 8,000 people reaching across continents and cultures.

Immensely proud of how far we have come, we look forward to the next 40 years of Unity, Excellence, and Innovation in food processing.



In partnership with our customers
we are transforming the way
food is processed.

Our vision is of a world where
quality food is produced
sustainably and affordably.



Marels to
TENGING VID T



Enabling a more **sustainable** industry



From **startup** to global leader



Towards a **digital** future

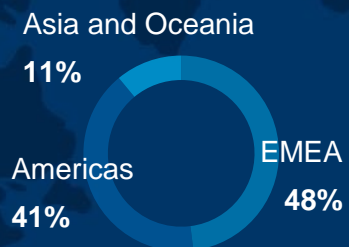


21% CAGR
growth since 1992

Revenues in 2022
EUR

1.7bn

Revenues by geography



Revenues invested in
INNOVATION

~6%

40 years
since foundation



Commitment to
ESG / UN SDG



Compounded average
revenue growth of

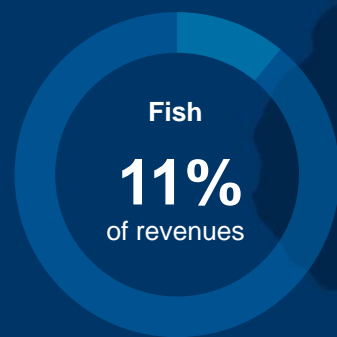
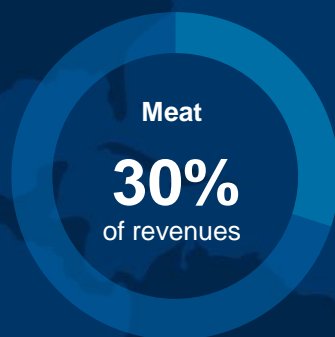
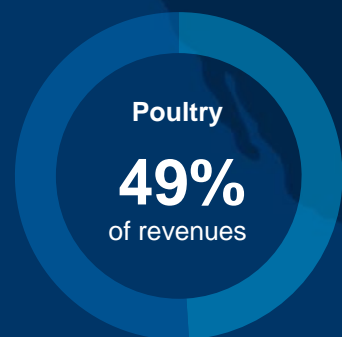
~21%

Per annum since listing
in 1992

Equipment
60%
of total revenues

Aftersales
40%
of total revenues

~8,000
employees



A man with short, wavy brown hair and a light beard is shown in profile, looking towards the left. He is wearing a dark blue and white striped t-shirt and has his hand resting on his chin in a thoughtful pose. He is sitting at a desk with several computer monitors. The background is a blurred office environment with blue lighting. A white horizontal line is positioned above the text, and another white horizontal line is positioned below the text.

**Revenues up
26% in 2022**

A woman with long brown hair tied back, wearing a blue Marel uniform, is smiling and standing behind a piece of industrial machinery. The background is a blurred factory setting with blue lighting.

Orders received
up **15%** in 2022

A decorative graphic of blue lines is positioned in the upper left quadrant. It features a series of concentric, curved lines that transition into a series of vertical lines of varying lengths, creating a dynamic, wave-like effect.

Focus First operating model

Proposed dividend
20% of 2022 net result



Validation of Science Based Targets initiative (SBTi)

Board of Directors



Arnar Thor Masson¹
Chairman of the Board

Arnar Masson is an independent advisor and Board member. Masson is currently on the Board of Directors of Siminn, which is the largest telecom company in Iceland and listed on Nasdaq Iceland. He also serves on the Remuneration Committee at Siminn and is a Board member of Festa – Center for Sustainability in Iceland. Masson was Chief Human Resources and Strategy Officer at Isavia, a company that handles the operations and development of all airports in Iceland. Prior to that, he was an alternate director at the European Bank for Reconstruction and Development (EBRD) in London and has held various senior level roles at the Prime Minister's Office in Iceland and at the Ministry of Finance



Olafur S. Gudmundsson
Vice-Chairman of the Board

Dr. Olafur S. Gudmundsson is the Head of Discovery, Pharmaceuticals at Bristol-Myers Squibb, a global biopharma company. He has previously held various senior level management positions within R&D in the pharmaceutical industry, both for Bristol-Myers Squibb and Genentech Inc.



Ann Elizabeth Savage¹
Board Director

Ann Savage most recently worked for Gousto, a UK meal kit manufacturer and retailer. Savage previously served as the Technical Director of Bakkavor Group and as a member of the company's management board. She has held a variety of roles in technical, and R&D departments within the retail and food industry over her 40-year career.



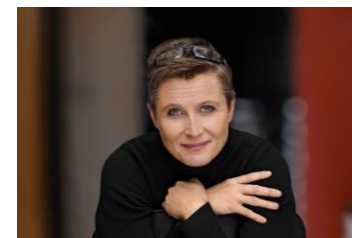
Astvaldur Johannsson¹
Board Director

Astvaldur Johannsson is Business Development Director at Controlant, a global real-time monitoring software solution (IoT) provider focusing on the pharmaceutical industry. Previously, Johannsson was a Board member of Festi, a holding company listed on Nasdaq Iceland Stock Exchange. He has served in various senior management positions at Össur hf., and as the Executive Director of the International Division of Valitor hf.



Lillie Li Valeur¹
Board Director

Lillie Li Valeur is a CEO of Arla Foods, a leading global dairy company. Previously, Valeur held several managerial roles at Arla Foods, both in Asia and globally, and was a CEO for Good Food Group and COCIO in Denmark. Valeur is Board member of Plus Pack, a multinational Denmark-based packaging company, and has served as a Board member of Chr. Hansen Holding, AAK and Meda.



Dr. Svafa Gronfeldt¹
Board Director

Dr. Svafa Gronfeldt is a Professor of Practice at the Massachusetts Institute of Technology. She is also the Vice-Chairman of the Board of Directors at Össur hf. Previous positions include executive leadership positions at two global life science companies where she served as Chief Organizational and Development Officer of Alvogen and Deputy to the CEO of Actavis Group.



Ton van der Laan¹
Board Director

Ton van der Laan has extensive experience from executive roles in the food industry. He currently serves as a Chairman of the Supervisory Board of Royal de Heus, a global feed company, and Vice-Chairman of the Board of Directors of Rainforest Alliance in New York. He is a non-executive Board member of Dümme Orange. Previously, he was CEO of Nidera.

Notes: ¹ Considered independent of the Company's major shareholders.

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CEO's operational report

Arni Oddur Thordarson,
Chief Executive Officer



Navigating in volatile environment

Inflation and global recessions have historically shifted consumer demand as well as investments in the food industry, Marel continues to innovate and invest in transformative investments to position the company for further growth and value creation

>> Marel's strong value proposition

33 New pioneering solutions launched in 2022 that drive automation, digitalization to optimize food processing

15 new products launched at IFFA 2022

sustainability higher yields and throughput, less energy, less water, less food waste

inflation Customer investment appetite shifts toward standard equipment and secondary processing solutions

40% from aftermarket as trusted maintenance partner

Unique sales and service network
30 countries | 6 continents

>> Food value chain's focus areas

automation + digitalization focused on raw material utilization by optimizing production and reducing waste (yield, throughput and SKU agility)

investments shift from large projects towards standardized solutions, aftermarket and less capital-intensive projects

rising interest rates

Smart factories, connected equipment run by AI and machine learning, but still with a human touch, increasing the need for data scientists and engineers

labor scarcity
industry 4.0

>> Consumers changing behavior

shifting market demand Consumer shift to more affordable proteins, smaller proteins portions and more dine-in than dine-out

UK inflation jumps unexpectedly to 10.4% in February

Economists and Bank of England had forecast a decline from January to 9.9%

US fast food: inflation will ketchup with burger flippers soon enough

McDonald's and Co are benefiting from the cheaper than cooking at home

Food inflation concerns deepen as prices reach highest level since 2014

UN body warns trajectory of prices could create a 'big issue' for poorer, import-reliant countries

Food inflation: taking away the bread basket adds to higher bills

Disruptions to supply could trigger a rewriting of agricultural rules

UK households face 'very, very hard' winter, warns National Grid chief

Many families will struggle as cost of energy doubles compared with a year ago, John Pettigrew says



2022

We are united in our passion to connect, innovate and transform the global food industry. In partnership with our customers, we are committed to developing sustainable solutions to the collective challenges and opportunities we face and bringing about meaningful change.





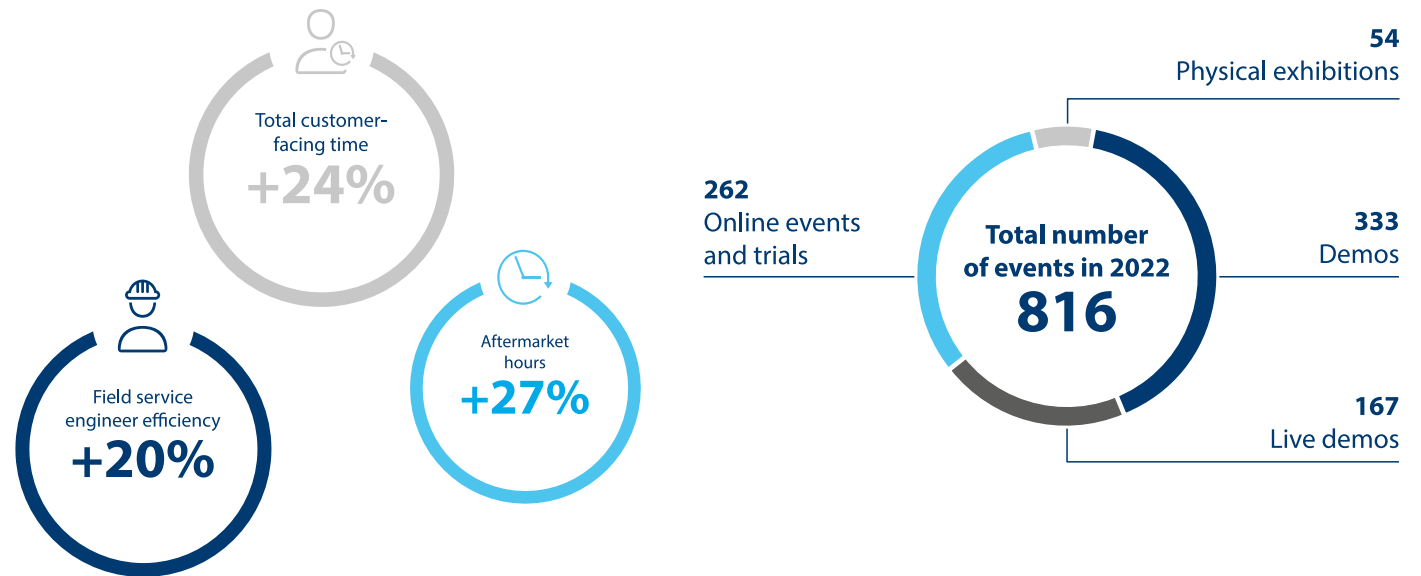
Connect



Connecting with customers

After two years of mostly online events, in 2022 we made a concerted effort to reconnect with our customers and partners through in-person events such as exhibitions, trade shows and in-house events like ShowHows and KnowHows

- We attended events including IFFA, VIV Europe, TecnoCarne and Anuga FoodTec and hosted our first Tilapia ShowHow in Latin America
- IFFA marked a significant milestone, as it was the first trade show to showcase Marel’s full product portfolio, including solutions from our two bolt-on acquisitions of MAJA and TREIF
- When presenting at these events, we focused on showcasing how we are transforming food processing through connectivity
- We also used our global network of demo centers and collaborative customer partnerships to create new ideas and applications
- Record orders in 2022, although sales, general and administrative costs (SG&A) above year-end 2023 target of 18%



3,000 employees

>50% employees are regional and market focused

Spread across more than **30** countries

Innovate



Daily Production Rates

LINE 1

724kg
CURRENT TOTAL

840kg

1340kg

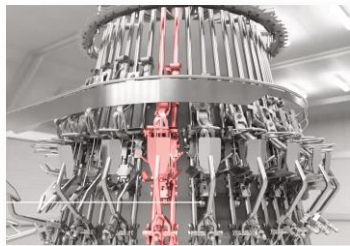
INNOVA
Food Processing Software



At the forefront of innovation

In 2022, Marel brought 33 solutions to market and showcased over 35 products at key tradeshows over the year focused on automation, digitalization and sustainability, that complement Marel's superior product portfolio and line solutions

Nuova-I



Managing the performance at full speed with new digital solution in evisceration.

Data-driven settings enable operators to adjust the setup and identify when mechanical performance is sub-optimal for immediate service activities.

Nuova-I offers consistent optimal yield due to the ability to handle weight and breed variances.

Industry: Poultry

Processing: Primary

FleXicut



The waterjet cutting offering was enriched this year with the introduction of Flexicut Tres and Flexicut Valka.

Flexicut offers pinbone removal with flexible portioning capability that ensures maximum fillet value.

The Flexicut solutions are all connectivity-enabled, offering customers real-time data on performance and service needs.

Industry: Whitefish, Salmon

Processing: Secondary

i-Cut 360



The portion cutter delivers exceptional versatility and optimized yield when cutting fixed weight portions down to a thickness of ~3 mm, without crust freezing.

Ideal for retail and food service processors.

The i-Cut product family continues to grow and is a great example of Marel's capabilities to cascade technology between protein industries.

Industry: Meat

Processing: Secondary

FilleXia



The automated tilapia filleting machine brings unprecedented efficiency and productivity to the tilapia industry.

By automating tilapia filleting, productivity increases, human impact and contamination risks are lowered, and a more accessible and affordable product is delivered.

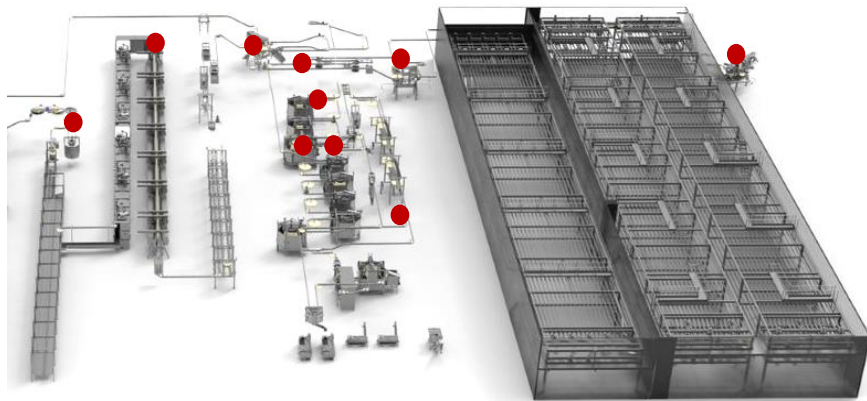
Industry: Whitefish

Processing: Secondary

New milestone solutions in digital journey

IMPAQT and ProFlow Breast Meat software are among new digital solutions that have been installed at customers this year allowing processors to optimize production performance and use real time data for optimized decision making

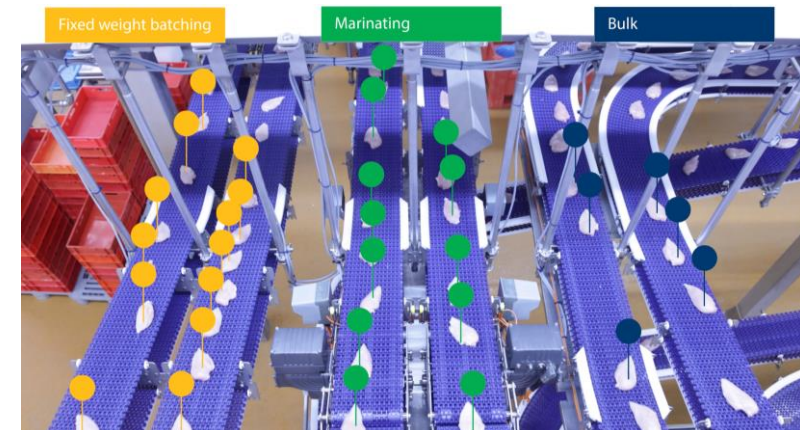
IMPAQT



IMPAQT offers remote, real-time insights into primary processing line performance, allowing processors to optimize equipment performance on the spot to ensure optimize value in production.

With these insights, processors can act fast to ensure optimal performance on each and every machine in the processing line and address any issue and find the source of that issue with the help of IMPAQT.

ProFlow



ProFlow Breast Meat software takes control of the entire breast meat process after deboning. Based on data supplied by e.g. SensorX the characteristics and whereabouts of every single fillet are known. ProFlow decides and finds the best destination for each individual product: bulk, retail, marination and more.

ProFlow enables processors to optimally use each and every fillet and to optimize its value with selection of right end destination in the processing.

Transform



2022

Our goal is to transform food processing to help our customers succeed and ultimately contribute to a more sustainable industry. We transform hand in hand with customers to turn their challenges into solutions, data into production control, and raw materials into valuable products. We need to transform alongside our customers.

Our investments in innovation, infrastructure and acquisitions also play a crucial role in evolving our company for the future, delivering strong returns and sustainable value to our stakeholders.

Global reach



Infrastructure investments



Acquisitions & strategic partnerships



Focus First operating model



Marel's global network of dedicated sales and service representatives is one of the company's strongest and most visible assets



Americas

Well positioned in market coverage both in N-America and Latin America

New sales and service office and demo center was opened in Campinas, Brazil in 2021

EMEA

Consolidating and streamlining global back-end

Asia & Oceania

Ramping up sales and service coverage

New sales and service office and demo center opened in Shanghai, China in 2021

Transformative infrastructure investments

Transforming end-to-end spare parts journey to shorten lead times

- Focus on reshaping and digitalizing end-to-end spare parts operations – securing Marel’s position as a trusted maintenance partner and improving share of wallet as a one-stop shop
- Splitting up warehouses and opening dedicated spare part distribution centers to separate spare part handling from manufacturing
- On 22 June 2022, Marel opened a new 10,000 m² distribution center in **Buford, Georgia, USA** focused on spare parts
 - Will enhance efficiency and scalability of rapidly growing spare parts operations globally and ensure faster delivery times
- In Sept 2022, construction begun on a new 15,000 m² global distribution center in **Eindhoven, Netherlands**, a highly automated, green building that is strategically located near Marel’s main logistics service providers
 - Will become operational in 2024 and shorten lead times to customers, to improve the flow and flex, scale and operational efficiency

Continued streamlining of back-end, improved efficiency and lower costs

- In Sept 2022, Marel opened a shared service center in **Lodz, Poland**
- A cross functional entity to improve efficiency and ensure standardization enhancing scalability, starting with transactional activities in G&A
- Currently 60 FTEs with plans for extend services to other business activities within Marel
- Transition of finance transactional activities to Lodz will be finalized in 4Q22, phasing out higher cost during implementation period



Automating and digitizing manufacturing for better flow and flex

- Ongoing journey to automate and digitize our manufacturing facilities, for better load balancing in key locations and shorter lead times
- **Nitra, Slovakia**
 - Invested in new 18,700 m² production facility adjacent to current facilities to scale up production capacity in a best-cost location – to become operational in 1H23
 - Vast majority of capacity focused on solutions for the consumer-ready market
- **Boxmeer, Netherlands**
 - Plan to expand capacity by 10,000 m² to improve flow in production processes in poultry, supported by investments in robotics and automation solutions
 - Relocating meat operations from Boxmeer to consolidate the meat platform in Lichtenvoorde
- **Stovring, Denmark**
 - Improving production capacity for Fish in Stovring
 - Relocating food preparation in Stovring to Boxmeer, clustering with other prepared foods activities
- **Lichtenvoorde, Netherlands**
 - Harmonizing ways of working in Meat in Lichtenvoorde to make operations more effective

Platform acquisition and strategic moves

Transformative acquisition of Wenger, bolt-on acquisition of Slegers Technique as well as an investment in Soft Robotics

Wenger Manufacturing

- USD 540m acquisition of US-based Wenger, a global leader in extrusion systems, widely known for its pioneering contributions in pet food, plant-based protein and aqua feed.
- The acquisition was both margin and earnings enhancing for Marel, and there are immediate opportunities for growth and value creation by leveraging Marel's global reach and digital platforms in Wenger's sizable and high-growth markets.
- Great platform to enter adjacent markets where the portfolio and customer base are complementary.
- Over 60% of Wenger's revenues derive from pet food where the company has a global leading position within their focus market segments.
- A strong foothold in the North American market and over 40% of revenues come from services.
- Wenger forms Marel's fourth reported business segment - Plant, Pet and Feed - alongside poultry, meat and fish.
- With over 500 employees located in close vicinity to Marel in Kansas in the US, Valinhos in Brazil, and Kolding in Denmark, Wenger's annual revenues are around USD 190m, EBITDA USD 32-35m, and their EBIT margin has been between 14-15% in recent years.



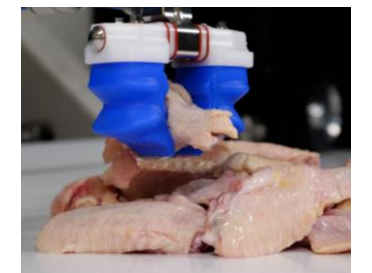
Slegers Technique

- Bolt-on acquisition of Slegers Technique concluded in April 2022.
- Slegers is a Dutch provider of interleaving, stacking, loading, and slicing solutions for prepared foods such as hamburger, bacon and cheese processing.
- Slegers has around EUR 5m in annual revenues and 27 FTEs.



Soft Robotics

- Marel, Tyson Ventures and a group of investors announced they joined hands to invest in Soft Robotics Inc.
- An industry-leading technology company that designs and builds automated picking solutions utilizing proprietary soft robotic grippers, 3D machine perception and AI.
- Marel invested USD 3m in this funding round, expected revenues of USD 5m in 2022 and around 50 FTEs.

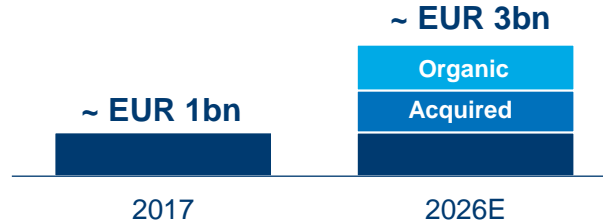


Focus First operating model

Enables scale and growth with clearer accountability, simplified customer journey and effective collaboration

2026 growth target

50%
from recurring
service and software
revenues



Partnership with
customers on
transformative
solutions, software
and services



Engaged
workforce

Enhancing end-to-end accountability

End-to-end visibility and accountability within divisions to clarify responsibilities, give a sharper view on profit and performance, and allow for growth – ultimately leading to a better customer journey.

Enabling customer centricity

An optimal customer journey that is fast yet reliable allowing us to maintain and build long term relationships with customers. To achieve this, we aim to have a deeper understanding of customer needs and provide them with clear contact points.

Ensuring cross-business collaboration

Better cross-business collaboration to provide our customers with solutions consisting of best-in-class building blocks of equipment, service and software, either stand-alone or as an integrated solution.

Focus First operating model

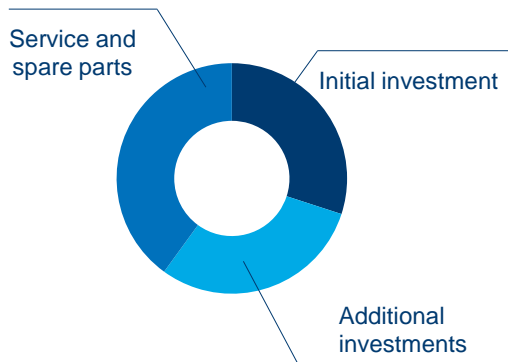


Growth and value creation

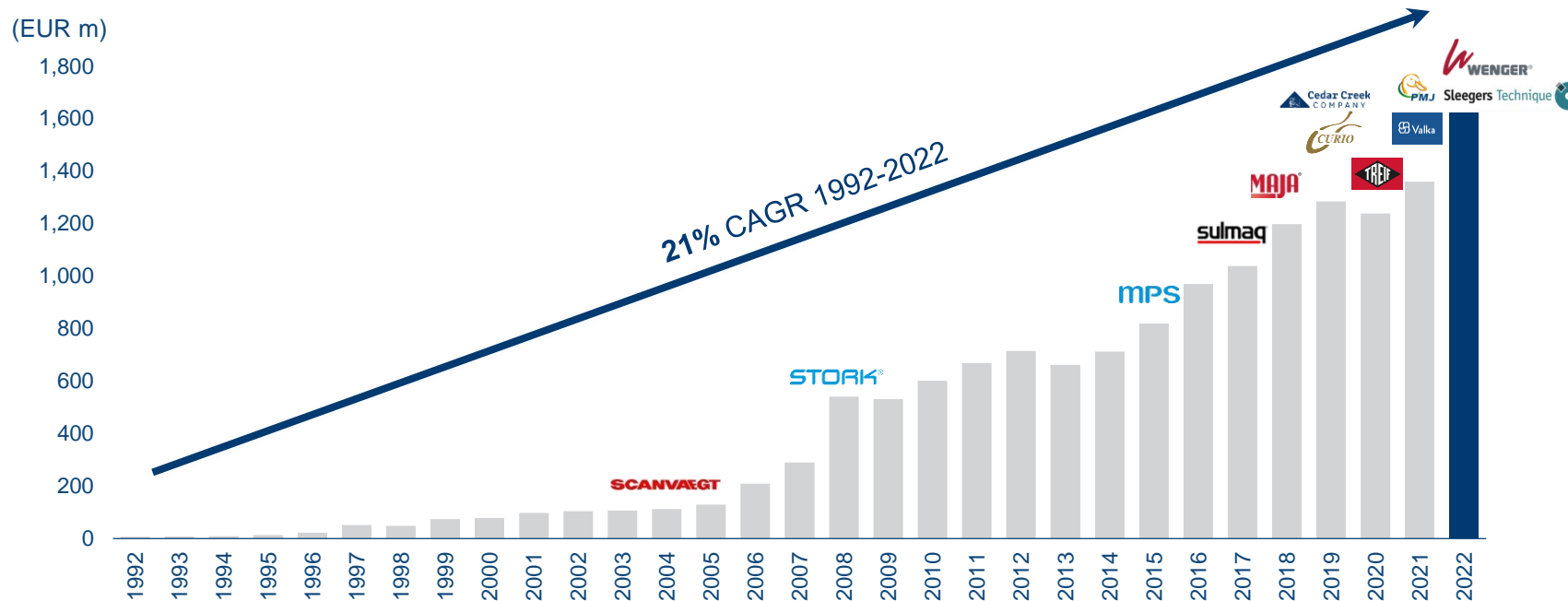
From start up to global leader

Marel has around 8,000 employees and EUR 1.7 billion in revenues, a stark increase from its 45 employees and revenues of EUR 6 million at the time of listing on Nasdaq Iceland in 1992.

10-year revenue profile from a customer



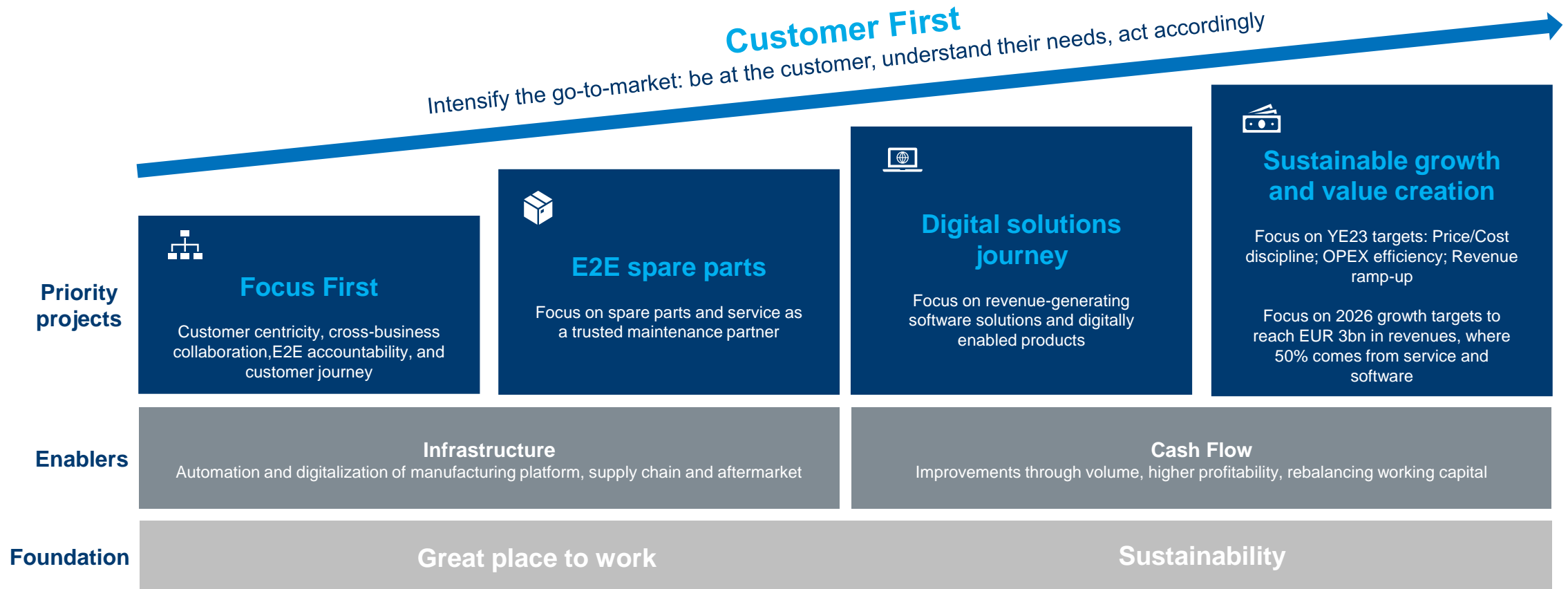
Strong revenue growth since 1992



Aftermarket as % of revenue



Marel Action Plan 2023 – MAP23



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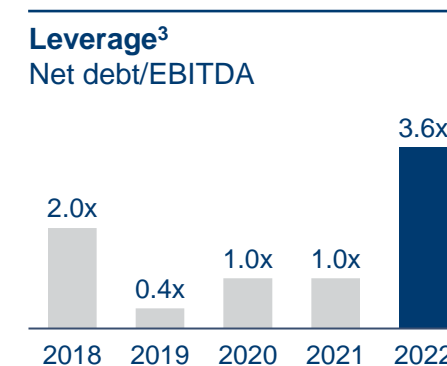
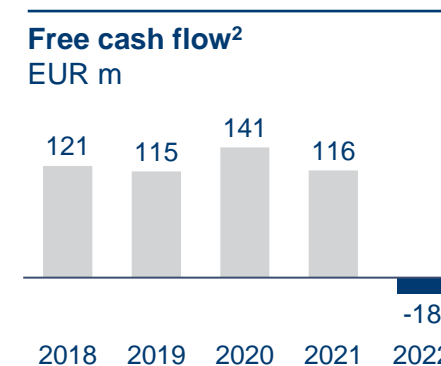
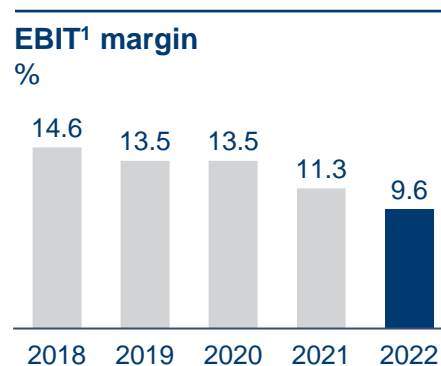
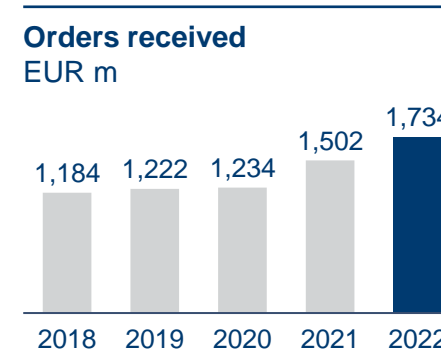
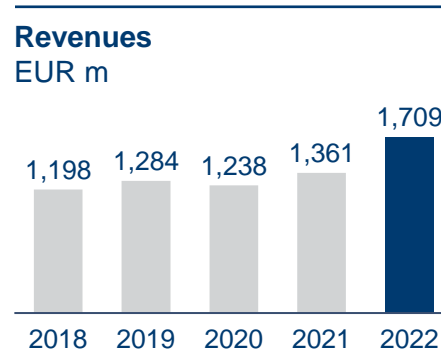
Submission of the 2022 annual accounts

Arni Oddur Thordarson,
Chief Executive Officer

Financial highlights FY 2022

Revenue growth of 25.6% and orders received up by 15.4%

- Record revenues of EUR 1,708.7m in 2022, up 25.6% YoY, thereof 16.1% organic growth
- Aftermarket represented 40% of total revenues (2021: 40%). Recurring aftermarket revenues continue to rise new record levels, annual revenue growth in aftermarket is 26.8% YoY, and 46.4% in the period 2019-2022
- Order book, consisting of orders that have been signed and financially secured with down payments/letters of credit, was EUR 675.2m at year-end, representing 39.5% of 12-month trailing revenues
- To support EBIT margin expansion from 2Q22, the 'Full Potential' program was launched as a global top priority. Actions already enacted were revenue ramp up, pricing actions, and the 5% global workforce reduction (EUR 25m in annualized cost savings). As a result, EBIT margin improved to 10.3% in 3Q22 and 12.4% in 4Q22
- For the full year, free cash flow impacted by net working capital movements, continued investments as well as an inventory buildup earlier in the year, tying up capital and cash flow
- Marel's cash flow model remains unchanged. Aim to reach historical cash conversion to EBIT¹ of ~120% by year end 2023



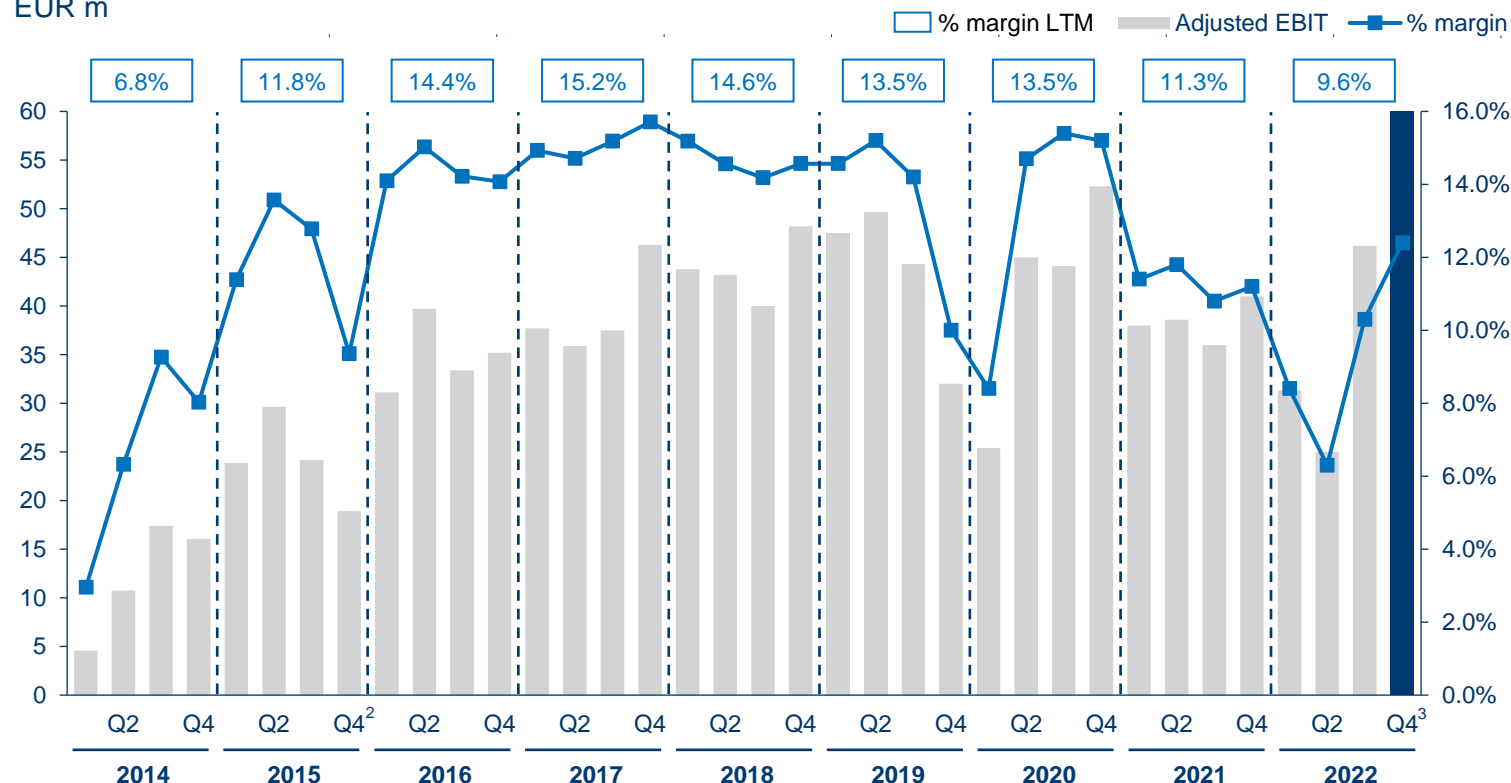
Notes: ¹ Operating income adjusted for PPA related costs, including depreciation and amortization and acquisition related expenses. In Q3 and Q4 2022, operating income is adjusted for restructuring costs due to the 5% headcount reduction. ² Free cash flow defined as cash generated from operating activities less taxes paid and net investments in PP&E and intangible assets. ³ Including Pro-forma LTM EBITDA following the acquisition of Wenger in 2Q22.

Record EBIT of EUR 61 million in Q4

On track to deliver the run-rate target of 14-16% EBIT by year-end 2023

- Improved operational performance based on higher volume, more operational efficiency and better cost coverage, enabled by significant infrastructure investments that increased non-recurring costs in 2022
- Gross profit was 35.9% in the quarter (3Q22: 36.0%, 4Q21: 35.9%) and 35.4% in 2022 (2021: 36.6%), target to reach 40% by YE23
- Operating expenses:
 - S&M 11.1% of revenues in 4Q22 (3Q22: 12.6%, 4Q21: 12.4%) and 12.7% in 2022 (2021: 12.5%), and trending down with higher revenues and better cost coverage towards the target of 12.0% by YE23
 - G&A 7.3% of revenues in the quarter (3Q22: 7.1%, 4Q21: 6.8%) and 7.4% in 2022 (2021: 6.9%). Cost saving initiatives in motion to reach YE23 target of 6%
 - R&D 5.1% in the quarter (3Q22: 5.9%, 4Q21: 5.5%) and 5.7% in 2022 (2021: 5.9%), in line with strategic promise of investing 6.0% of revenues in innovation annually
 - In 2022, Marel brought 33 solutions to market and showcased pioneering high-tech equipment and software at key tradeshows over the year, where e.g., IFFA marked the first trade show showing the full combined product portfolio of Marel and the two acquisitions of MAJA (2018) and TREIF (2020)

Adjusted EBIT evolution¹
EUR m



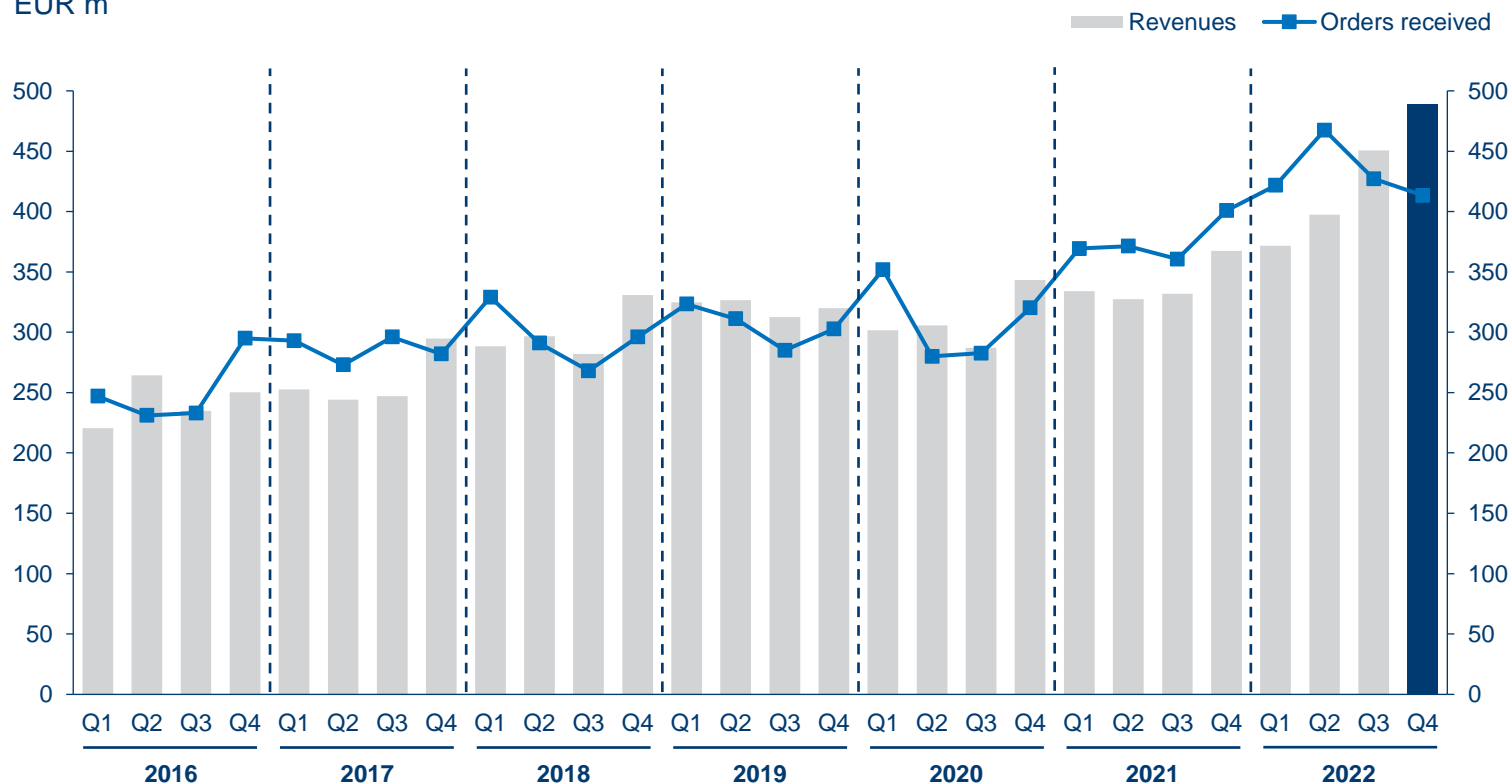
Notes: ¹ Adjusted for PPA costs related to acquisitions from 2016 onwards and refocusing costs in 2014 and 2015 relating to "Simpler, Smarter, Faster" program. PPA refers to amortization of acquisition related (in) tangible assets. Beginning in Q4 2020 also adjusted for acquisition related costs. ² Adjusted EBIT in Q4 2015 is not adjusted for EUR 3.3m cost related to the MPS acquisition, which was described in the Company's Q4 2015 report and recorded in general and administrative expenses. ³ In Q3 and Q4 2022, operating income is adjusted for restructuring costs due to the 5% headcount reduction.

Ramp up of revenues and EBIT of 12.4% in Q4

Closing the year with record revenues of EUR 489m, providing better cost coverage and improvement of EBIT margin

- Orders received were 1,734.0 million for the year, up 15.4% YoY, and EUR 413.4m in the 4Q22, up 3.2% YoY
- Revenues were EUR 1,708.7m for the full year, up 25.6% YoY, and EUR 489.2m in 4Q22, up 33.2% YoY
- Successful ramp up of revenues and solid customer deliveries in 2022, enabled by infrastructure investments in automation and digitalization, in addition to easing of parts availability (semi-cons availability still an issue)
- Recurring aftermarket revenues were 40% of total in 2022 (4Q22: 39%), and have continued to rise for eleven consecutive quarters, reflecting strong market position as a trusted maintenance partner and underpinning 2026 target of 50% of revenues coming from software and services
- Demand for Marel's pioneering solutions has been strong throughout the year. Prolonged inflation, rising interest rates have historically shifted consumer demand towards cheaper proteins, and investments in the food industry from large projects towards standardized solutions and aftermarket
- Labor scarcity and favorable secular trends, focused on automation, robotics technology and digital solutions that support sustainable food processing, will continue to support organic growth outlook in the long term, while current macroeconomic backdrop is resulting in elevated uncertainty in the short term

Revenues and order evolution
EUR m



Income statement: FY 2022

Revenues in 2022 were EUR 1,709m, gross profit was EUR 605m or 35.4% of revenues, and the adjusted EBIT was EUR 163m or 9.6%

In EUR million	FY 2022	Of Revenues	FY 2021	Of Revenues	Change
Revenues	1,708.7		1,360.8		+25.6%
Cost of sales	(1,103.8)		(862.7)		+27.9%
Gross profit	604.9	35.4%	498.1	36.6%	+21.4%
Selling and marketing expenses	(217.9)	12.7%	(170.0)	12.5%	+28.2%
General and administrative expenses	(126.1)	7.4%	(93.7)	6.9%	+34.6%
Research and development expenses	(97.5)	5.7%	(80.8)	5.9%	+20.7%
Adjusted result from operations¹	163.4	9.6%	153.6	11.3%	+6.4%
Non-IFRS adjustments	(66.4)		(23.3)		+185.0%
Result from operations	97.0	5.7%	130.3	9.6%	-25.6%
Net finance costs	(13.0)		(8.7)		+49.4%
Share of result of associates	(1.9)		(0.9)		+111.1%
Impairment loss of associates	(7.0)		-		-
Result before income tax	75.1		120.7		-37.8%
Income tax	(16.4)		(24.5)		-33.1%
Net result	58.7	3.4%	96.2	7.1%	-39.0%

Notes: The income statement as presented above provides an overview of the Adjusted result from operations, which management believes to be a relevant Non-IFRS measurement.¹ Operating income adjusted for PPA related costs, including depreciation and amortization and acquisition related expenses. In Q3 and Q4 2022, operating income is adjusted for restructuring costs due to the 5% headcount reduction.

Balance sheet: Assets

2022 Consolidated Financial Statements

- Total assets increased by EUR 691.4m in 2022 or 34.5%, of which EUR 571.8m are due to the acquisitions of Wenger and Slegers
- Main changes in the quarter relate to Wenger PPA changes which is still provisional
- Increase of inventories in 2022 due to M&A, higher volume and price increases. Rebalancing of inventories in progress, reduction of EUR 26.8m from 3Q22 to 4Q22
- Trade receivables decreased by EUR 29.1m between quarters due to better collections
- Marel continues to invest to position the business for future growth, with projects related to capacity expansion in Boxmeer and a new global distribution center in Eindhoven, as well as continued investment in innovation
- Insolvency proceedings of Stranda Prolog resulted in a EUR 7.0m write-off for Marel in 3Q22, categorized as investments in associates

Assets

In EUR million	31/12 2022	31/12 2021	Change
Property, plant and equipment	327.1	228.7	+43.0%
Right of use assets	39.8	40.5	-1.7%
Goodwill	859.2	705.2	+21.8%
Intangible assets	562.3	357.2	+57.4%
Investments in associates	4.0	12.7	-68.5%
Other non-current financial assets	3.7	-	-
Derivative financial instruments	1.5	-	-
Deferred income tax assets	31.6	18.1	+74.6%
Non-current assets	1,829.2	1,362.4	+34.3%
Inventories	403.6	273.4	+47.6%
Contract assets	65.8	69.6	-5.5%
Trade receivables	218.3	154.7	+41.1%
Derivative financial instruments	1.8	1.1	+63.6%
Other receivables and prepayments	102.0	66.7	+52.9%
Cash and cash equivalents	75.7	77.1	-1.8%
Current assets	867.2	642.6	+35.0%
Total assets	2,696.4	2,005.0	+34.5%

Balance sheet: Equity and liabilities

2022 Consolidated Financial Statements

- Marel had committed liquidity of EUR 243.8m at year-end
- In 4Q22, Marel signed a new 3-year USD 300m term loan, partly used to repay the EUR 150m multi-currency bridge facility drawn for operational headroom when acquiring Wenger, with initial margin of 250bp on top of SOFR and moves in line with leverage
- Upcoming Schuldschein maturity at end of 2023, shifted EUR 121.5m of borrowings from non-current to current in the 4Q22
- Contract liabilities decreased by EUR 63.5m between quarters with the lower book-to-bill ratio
- Trade and other payables increased by EUR 57.4m in 2022, mostly due to higher volume and M&A
- Other payables decreased between years due to finalization of Curio acquisition
- Leverage ratio improved to 3.6x (3Q22: 3.9x), and above target following the acquisition of Wenger in 2Q22, objective to be within the targeted range of 2.0-3.0x net debt / EBITDA at the beginning of 2024

Equity & liabilities

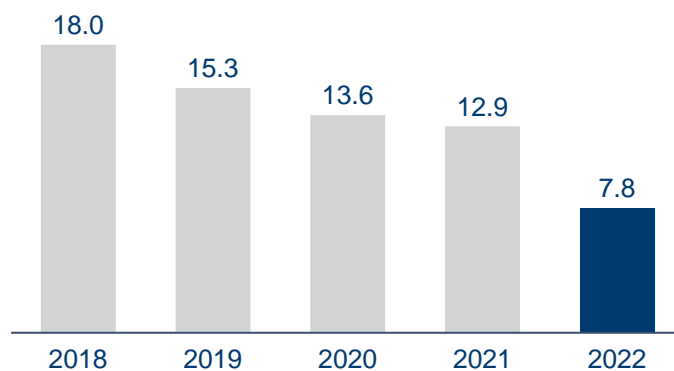
In EUR million	31/12 2022	31/12 2021	Change
Group equity	1,028.1	1,023.1	+0.5%
Borrowings	729.8	234.9	+210.7%
Lease liabilities	30.3	30.9	-1.9%
Deferred income tax liabilities	90.7	92.1	-1.5%
Provisions	6.9	4.0	+72.5%
Other payables	7.5	22.7	-67.0%
Derivative financial instruments	-	0.4	-
Non-current liabilities	865.2	385.0	+124.7%
Contract liabilities	324.3	306.0	+6.0%
Trade and other payables	316.8	259.4	+22.1%
Derivative financial instruments	3.5	0.8	+337.5%
Current income tax liabilities	14.2	10.7	+32.7%
Borrowings	121.5	0.0	-
Lease liabilities	10.8	10.5	+2.9%
Provisions	12.0	9.5	+26.3%
Current liabilities	803.1	596.9	+34.5%
Total liabilities	1,668.3	981.9	+69.9%
Total equity and liabilities	2,696.4	2,005.0	+34.5%

Key performance metrics

Proven track record of earnings results and value creation

Earnings per share (EPS)

Trailing twelve months, euro cents

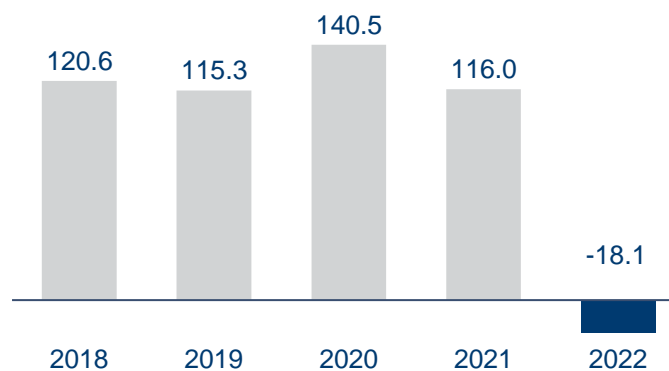


EPS expected to grow faster than revenues

- In the period 2017-2026, Marel's management expects basic earnings per share to grow faster than revenues
- Focus on margin expansion and overall operational improvement and value creation

Free cash flow¹

EUR m

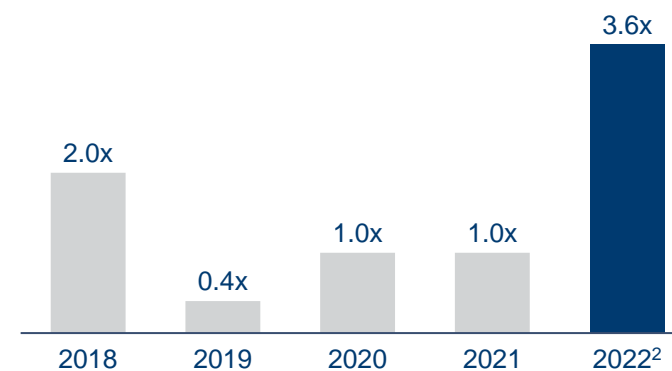


Free cash flow below historical levels

- Free cash flow impacted by net working capital movements, continued investments as well as an inventory buildup earlier in the year, tying up capital and cash flow
- Marel's strong cash generation has enabled both deleveraging and the undertaking of strategic acquisitions as well as supported continued investments in infrastructure, innovation and strategic inventory buildup

Net debt / EBITDA

Leverage (x)



Focus on deleveraging towards target of 2-3x

- Leverage at 3.6x at year-end (3Q22: 3.9x), following the acquisition of Wenger in 2Q22
- Focus forward on deleveraging to reach targeted capital structure of 2-3x net debt to EBITDA
- Objective to enter 2024 within the 2-3x target range, where main drivers of deleveraging will be EBIT improvements and improvements in net working capital

Notes: ¹ Free cash flow defined as cash generated from operating activities less taxes paid and net investments in PP&E and intangible assets. ² Net debt (including lease liabilities) / Pro-forma LTM EBITDA.

Financial targets and dividend policy

Marel is targeting 12% average annual revenue growth from 2017-2026 through market penetration and innovation, complemented by strategic partnerships and acquisitions

2017-2026 targets and performance			FY17	FY18	FY19	FY20	FY21	FY22
Revenue growth ¹		Organic	4.9%	12.5%	5.4%	-5.4%	4.4%	16.1%
		Acquired	2.2%	2.9%	1.8%	1.8%	5.5%	9.5%
	12%	Total	7.1%	15.4%	7.2%	-3.6%	9.9%	25.6%
			CAGR 2017-2022		9.9%			
Innovation investment	~6% of revenues		5.6%	6.2%	6.4%	5.6%	5.9%	5.7%
Earnings per share (TTM)	EPS to grow faster than revenues		13.7	18.0	15.3	13.6	12.9	7.8
Leverage	Net debt/EBITDA 2-3x		1.9x	2.0x	0.4x	1.0x	1.0x	3.6x
Dividend policy	20-40% of net results		30%	30%	40%	40%	40%	20%

Mid-term targets by YE23

Adjusted EBIT 14-16%

Gross profit 40%

SG&A 18%

Innovation investment 6%

Notes: ¹ Growth is not expected to be linear but based on opportunities and economic fluctuations. Operational results may vary from quarter to quarter due to general economic developments, fluctuations in orders received and timing of deliveries of larger systems.

Financial targets and dividend policy

Marel is targeting 12% average annual revenue growth from 2017-2026 through market penetration and innovation, complemented by strategic partnerships and acquisitions

2017-2026 targets and performance

Revenue growth¹	12%	<p>In the period 2017-2026, Marel is targeting 12% average annual revenue growth through market penetration and innovation, complemented by strategic partnerships and acquisitions.</p> <p>Maintaining solid operational performance and strong cash flow is expected to support 5-7% revenue growth on average by acquisition.</p> <ul style="list-style-type: none"> Marel's management expects average annual market growth of 4-6% in the long term. Marel aims to grow organically faster than the market, driven by innovation and growing market penetration. Management believes that market growth will be at a level of 6-8% in the medium term (2021-2026), due to catch up effect from the past five years and a tailwind in the market. Recurring revenues to reach 50% of total revenues by YE26, including software and services.
Innovation investment	~6% of revenues	To support new product development and ensure continued competitiveness of existing product offering.
Earnings per share (TTM)	EPS to grow faster than revenues	Marel's management targets Earnings per Share to grow faster than revenues.
Leverage	Net debt/EBITDA 2-3x	The leverage ratio is targeted to be in line with the targeted capital structure of the company.
Dividend policy	20-40% of net results	Dividend or share buyback targeted at 20-40% of net result. Excess capital used to stimulate growth and value creation, as well as payment of dividends / funding share buybacks.

Mid-term targets by YE23

Adjusted EBIT **14-16%**

Gross profit **40%**

SG&A **18%**

Innovation investment **6%**

Notes: ¹ Growth is not expected to be linear but based on opportunities and economic fluctuations. Operational results may vary from quarter to quarter due to general economic developments, fluctuations in orders received and timing of deliveries of larger systems.

CONNECT INNOVATE TRANSFORM ANNUAL REPORT 2022

The theme of Marel's 2022 annual report is Connect. Innovate. Transform. These three powerful words resonate across our company and reflect in everything we do. Marel continuously invests 6% of revenues in innovation to improve the food value chain, connectivity to empower to our customers to reach their full potential, while seeking opportunities to transform challenges into opportunities to improve and grow sustainably.

The annual report is digital, complete with interactive content, videos and customer stories showcasing our milestones in 2022, and also available as a PDF file.

The 2022 annual report can be read on marel.com/ar.



Investor Relations

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Disclaimer

Forward-looking statements

Statements in this press release that are not based on historical facts are forward-looking statements. Although such statements are based on management's current estimates and expectations, forward-looking statements are inherently uncertain.

We therefore caution the reader that there are a variety of factors that could cause business conditions and results to differ materially from what is contained in our forward-looking statements, and that we do not undertake to update any forward-looking statements.

All forward-looking statements are qualified in their entirety by this cautionary statement.

Market share data

Statements regarding market share, including those regarding Marel's competitive position, are based on outside sources such as research institutes, industry and dealer panels in combination with management estimates.

Where information is not yet available to Marel, those statements may also be based on estimates and projections prepared by outside sources or management. Rankings are based on sales unless otherwise stated.



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