26 July 2023

Q2 2023

Press release

Orders received of EUR 407 million, market outlook improving

Executive summary

- Orders received improving QoQ to EUR 407m, pipeline is strong and conversion to orders expected to continue to pick up in coming quarters
- Revenues contracting QoQ to EUR 422m due to softer project orders received in past quarters, strong aftermarket revenues at EUR 198m
- Adjusted EBIT of 8.0% on the back of softer project orders in past quarters, expected to pick up coming quarters with improved market outlook, optimization efforts and easing in supply chain
- Management forecast indicates 12-14% EBIT in 4Q23, compared to the targeted 14-16% EBIT, focus on delivering healthy growth and margin enhancement to reach a sustainable 14-16% EBIT level in the course of 2024
- Extended maturity profile secured and new EUR 150m term loan signed

Key figures (EUR m)

As per financial statements	2Q23	2Q22	Δ YoY	1H23	1H22	Δ YoY
Revenues	422.4	397.3	6.3%	869.8	768.9	13.1%
Gross profit	148.2	133.1	11.3%	309.4	267.1	15.8%
% of revenues	35.1%	33.5%		35.6%	34.7%	
SG&A expenses	87.9	85.0	3.4%	182.8	164.9	10.9%
% of revenues	20.8%	21.4%		21.0%	21.4%	
R&D expenses	26.5	23.1	14.7%	52.6	45.9	14.6%
% of revenues	6.3%	5.8%		6.0%	6.0%	
EBITDA[1]	49.9	38.5	29.6%	106.4	82.2	29.4%
% of revenues	11.8%	9.7%		12.2%	10.7%	
EBIT[1]	33.8	25.0	35.2%	74.0	56.3	31.4%
% of revenues	8.0%	6.3%		8.5%	7.3%	
Non-IFRS adjustments	(16.7)	(10.2)	63.7%	(33.8)	(16.5)	104.8%
Result from operations (EBIT)	17.1	14.8	15.5%	40.2	39.8	1.0%
% of revenues	4.0%	3.7%		4.6%	5.2%	
Net result	3.1	9.6	-67.7%	12.2	31.3	-61.0%
% of revenues	0.7%	2.4%		1.4%	4.1%	
Orders Received	406.5	471.8	-13.8%	769.1	893.5	-13.9%
Order Book				574.5	774.5	-25.8%

Cash flows	2Q23	2Q22	1H23	1H22
Cash from operating activities, bf. int. & tax	27.1	18.4	61.4	51.1
Net cash from (to) operations	4.9	10.4	21.7	38.6
Investing activities	(30.8)	(485.5)	(62.6)	(514.5)
Financing activities	14.0	507.5	19.2	490.8
Net cash flow	(11.9)	32.4	(21.7)	14.9

Financial position	30/06 2023	31/12 2022
Net Debt (Including Lease liabilities)	875.4	816.7
Operational working capital[2]	262.2	234.3

Key ratios	1H23	1H22
Current ratio	1.1	1.2
Quick ratio	0.6	0.7
Return on equity[3]	2.4%	6.1%
Leverage[4]	3.5	3.8
Number of outstanding shares (millions)	754.0	753.2
Market cap in EUR billion	2.2	3.3
Basic earnings per share in EUR cents	1.62	4.14

Notes: [1] Operating income and EBITDA adjusted for PPA related costs, including depreciation and amortization, and acquisition related expenses. In Q3 2022, Q4 2022 and Q2 2023, operating income is adjusted for restructuring costs. [2] Trade receivables, inventories, net contract assets & contract liabilities, trade payables. [3] Annualized net result / average of total equity. [4] Net debt (including lease liabilities) / Pro forma LTM adjusted EBITDA including recent acquisitions.

Key highlights

Q2 2023 – Financial highlights

- **Orders received** were EUR 406.5m (1Q23: 362.6m, 2Q22: 471.8m).
- **Order book** was EUR 574.5m (1Q23: 590.4m, 2Q22: 774.5m).
- **Revenues** were EUR 422.4m (1Q23: 447.4m, 2Q22: 397.3m).
- **Book-to-bill** is 0.96 and the order book represents 31.7% of 12-month trailing revenues.
- **EBIT[1]** was EUR 33.8m (1Q23: 40.2m, 2Q22: 25.0m), translating to an **EBIT[1] margin** of 8.0% (1Q23: 9.0%, 2Q22: 6.3%).
- **Net result** was EUR 3.1m (1Q23: 9.1m, 2Q22: 9.6m).
- **Cash flow from operating activities before interest and tax** was EUR 27.1m (1Q23: 34.3m, 2Q22: 18.4m).
- **Free cash flow** amounted to EUR -6.1m (1Q23: -0.3m, 1Q22: -7.9m).
- **Net debt/EBITDA[2]** was 3.5x (1Q23: 3.5x, 2Q22: 3.8x) following acquisition of Wenger in 2Q22, focus on deleveraging to return to targeted capital structure of 2-3x net debt to EBITDA.

H1 2023 – Financial highlights

- **Orders received** were EUR 769.1m (1H22: 893.5m).
- **Revenues** were EUR 869.8 (1H22: 768.9m).
- **EBIT[1]** was EUR 74.0m (1H22: 56.3m), translating to an **EBIT[1] margin** of 8.5% (1H22: 7.3%).
- **Net result** was EUR 12.2m (1H22: 31.3m).
- **Basic earnings per share (EPS)** were EUR 1.62 cents (1H22: 4.14).
- **Cash flow from operating activities before interest and tax** was EUR 61.4m (1H22: 51.1m).
- **Free cash flow** amounted to EUR -6.4m (1H22: 6.7m).

Subsequent events

- On 17 July, Marel announced a two-year extension to the EUR 700 million sustainability-linked revolving credit facility, now maturing in February 2027, and a new EUR 150 million term loan maturing in 2025.

Arni Oddur Thordarson, CEO of Marel

“Overall market conditions are improving and orders received ticked up to 407m in the quarter from the low levels of 363m in the first quarter. We are seeing increased sales activity and the pipeline continues to firm up. Labor scarcity and wage inflation are fueling a pressing need for further investments into automation, robotics technology and digital solutions, and Marel is in a pole position to navigate the future in partnership with our customers. We believe orders received will be strong in the second half of the year, although timing of conversion from pipeline to orders can fluctuate.

Revenues were 422m in 2Q23 and sequentially down due to the lower project revenues in line with order development in past quarters. The recurring aftermarket revenues continue to rise steadily close to 200m in the quarter, or 767m on a trailing 12-month basis. The demand for proactive and predictive service to ensure the continuous flow in the food value chain is increasing. Based on our transformative investments in the spare parts journey and digital services we are confident we can continue to deliver growth in aftermarket revenues with increased productivity going forward. We have achieved this success with a great team, close partnership with customers and investments that have entailed non-recurring cost and high capital expenditures in past quarters.

EBIT was 8% in the quarter, mainly due to lower project revenues, and in line with statements of expected variability in operational performance in 2023. We have taken action in the quarter to lower our cost base, going segment by segment and carefully balancing so that once demand improves, we will be able to ramp up revenues swiftly with a leaner fixed cost base.

As orders received came in the backend of the second quarter with a few projects shifting between quarters, the revenues in Q3 are expected at a similar level as Q2 with a lower cost base and we will start to see ramp up of revenues and profitability in Q4. Our management forecast indicates an EBIT of 12-14% in fourth quarter this year compared to the targeted 14-16% EBIT.

Our strategy and execution is focused on delivering healthy growth and margin enhancement to reach a sustainable 14-16% EBIT level in the course of 2024. The positive long-term structural growth drivers for Marel remain intact.

Free cash flow in the coming quarters is expected to improve with customer down payments, improved working capital and lower capital expenditures in the second half of the year moving us towards our targeted capital structure.

In July, Marel signed a new term loan of EUR 150 million and secured a 2-year extension to the 700m sustainability-linked revolving credit facility until February 2027 underpinning the trust our long-standing banking partners have in Marel’s diversified business model, quality of earnings and growth ambition.

The past three years have been a time of transformation of the food value chain and I am proud of team Marel, our customers and suppliers for their dedication and commitment. Together, we will drive responsible growth with sustainable operational profitability in line with our 2026 growth plan and target of 50% of total revenues recurring from service and software.”

Notes: [1] Operating income adjusted for PPA related costs, including depreciation and amortization, and acquisition related expenses. In Q3 2022, Q4 2022 and Q2 2023, operating income is adjusted for restructuring costs. [2] Net debt (including lease liabilities) / Pro forma LTM adjusted EBITDA including recent acquisitions.

Financial performance

Orders received improving to EUR 407m, pipeline remains strong

- Orders received in 2Q23 improving to EUR 406.5m, up 12.1% QoQ (1Q23: 362.6m) and down 13.8% YoY, compared to the record 2Q22 of 471.8m.
- Order growth from low level in 1Q23 with pipeline strengthening, especially in poultry and pet food, although market conditions continue to create uncertainty in timing of conversion of pipeline into orders.
- Signs of easing of inflation on materials are countered by continuous high labor inflation for Marel's customers. The need for automation, digitalization and sustainable use of raw materials, energy and water within food processing continues to become ever more pressing.

Order book of EUR 575m and book-to-bill ratio of 0.96 in 2Q23

- Order book, consisting of orders that have been signed and financially secured with down payments, was EUR 574.5m, down 2.7% sequentially QoQ (1Q23: 590.4m) and down 25.8% from the record EUR 774.5m at quarter-end 2Q22.
- Order book at quarter-end represents 32% of 12-month trailing revenues and the book-to-bill ratio in the quarter was 0.96 (1Q23: 0.81, 2Q22: 1.19) and 0.88 in the first half of 2023 (1H22: 1.16).
- Vast majority of the order book is comprised of greenfields and projects, while spare parts and standard equipment run faster through the system.

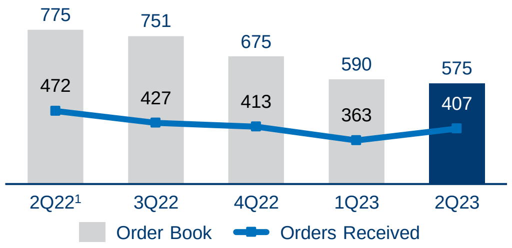
Continued growth in recurring aftermarket revenues

- Revenues contracting to EUR 422.4m in the quarter, down 5.6% QoQ due to softer project orders received in past quarters, and up 6.3% YoY (1Q23: 447.4m, 2Q22: 397.3m). High aftermarket ratio of 47% of total revenues in the quarter (2Q22: 41%), mainly due to lower project revenues and strong aftermarket performance.
- Aftermarket revenues, comprised of recurring services and spare parts, were EUR 198.0m in 2Q23. On a trailing twelve months basis, aftermarket revenues were EUR 767.0m in the quarter, up 12.5% CAGR since 2017.
- Aftermarket growth reflects Marel's strong market position and reputation as a trusted maintenance partner and underpins Marel's commitment to investments in automating and digitizing the spare parts delivery model and shortening lead times.
- Transformative infrastructure investments in the Global Distribution Center in Eindhoven, Netherlands, and Regional Distribution Center in Buford, Georgia, USA.

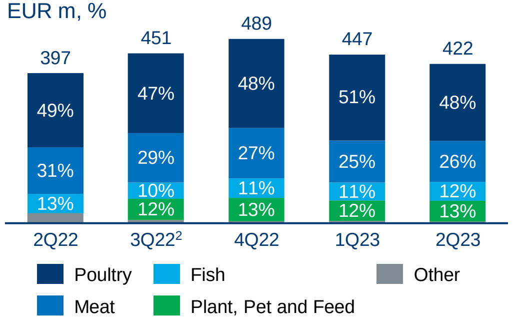
Operational performance impacted by lower project orders in past quarters, product mix and cost inflation

- Operational results in line with management's statements in FY22 and 1Q23 and colored by the softer orders received in larger projects in past quarters. Based on improved market outlook, several optimization actions in place and general easing in supply chain and logistics, management expects pick up in coming quarters.
- Gross profit margin was 35.1% in the quarter (1Q23: 36.0%, 2Q22: 33.5%). Gross profit was EUR 148.2m in the quarter (1Q23: 161.2m, 2Q22: 133.1m), and was lower QoQ due to lower project revenues, partially offset by higher aftermarket revenues. Signs of higher cost levels moderating, such as logistics and materials, though will take time to filter through. Parts availability issues are improving albeit wage inflation remains a considerable factor.
- OPEX was 27.1% (1Q23: 27.0%, 2Q22: 27.2%), against a target of 24% consisting of SG&A of 18% and innovation of 6%.
- SG&A of 20.8% (1Q23: 21.2%, 2Q22: 21.4%) with EUR 7.0m QoQ reduction in absolute terms to EUR 87.9m in 2Q23 (1Q23: 94.9m, 2Q22: 85.0m). Right sizing actions across divisions and functions executed in 2Q23 resulted in EUR 3.9m in one-off severance costs accounted and adjusted for in the quarter. Continued focus on cost saving actions and backend optimization.
- Sales and marketing (S&M) expenses were at a level of 13.4% of revenues in 2Q23 (1Q23: 13.4%, 2Q22: 13.9%) and down in absolute terms QoQ.
- General and administrative (G&A) expenses were 7.5% of revenues in the quarter (1Q23: 7.8%, 2Q22: 7.5%) and down in absolute terms QoQ.
- Innovation costs at 6.3% in 2Q23 (1Q23: 5.8%, 2Q22: 5.8%), stable QoQ in absolute terms.
- EBIT[3] in the quarter was EUR 33.8m (1Q23: 40.2m, 2Q22: 25.0m), translating to an EBIT margin of 8.0% (1Q23: 9.0%, 2Q22: 6.3%). Margin in 2Q23 driven by lower project revenues and cost coverage, as well as product mix. Expected to start to ramp up in 4Q23.
- Marel adjusts EBIT[3] for PPA and acquisition related costs. Since 3Q22 PPA charges have been elevated due to the inventory uplift from the Wenger acquisition which is now fully amortized. Quarterly PPA related charges expected to be around EUR 7.1m in coming quarters compared to EUR 12.1m in 2Q23. In Q3 2022, Q4 2022 and Q2 2023, operating income is adjusted for restructuring costs due to reduction of workforce. See appendix for further explanation of Non-IFRS adjustments.

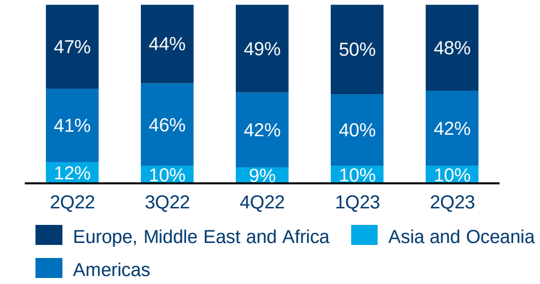
Order book and orders received
EUR m



Revenues by segment
EUR m, %



Revenues by geography
%



Notes: [1] Including acquired order book of EUR 81m from Wenger and Sleegers. [2] Revenues from Wenger allocated to the Other segment as of closing 9 June 2022 until end of Q2 2022. As of Q3 2022, Wenger was part of segment reporting alongside the poultry, meat and fish business segments, under the name 'Plant, Pet and Feed'. [3] Operating income adjusted for PPA related costs, including depreciation and amortization, and acquisition related expenses. In Q3 2022, Q4 2022 and Q2 2023, operating income is adjusted for restructuring costs.

Financial performance

Cash flow below historical levels, impacted by higher financing costs and tax payments as well as elevated investments in infrastructure

- Operating cash flow was EUR 27.1m in the quarter (1Q23: 34.3m, 2Q22: 18.4m). Operating cash flow in 2Q23 impacted by timing of payables, good collections, and book-to-bill of 0.96 in the quarter.
- Cash CAPEX excluding R&D investments in 2Q23 were EUR 15.4m (1Q23: 19.6m, 2Q22: 14.2m), or 3.6% of revenues.
- Free cash flow was EUR -6.1m in the quarter (1Q23: -0.3m, 2Q22: -7.9m), impacted by elevated investments and higher taxes paid.
- Marel's cash flow model remains unchanged. Aim to increase towards historical cash conversion levels by year-end 2023.

Leverage temporarily above target of 2-3x

- Leverage was 3.5x (1Q23: 3.5x, 2Q22: 3.8x) and stable QoQ despite dividend payment of EUR 11.7m and the EUR 8.0m acquisition of E+V, a global provider of advanced vision systems for the meat and poultry segments.
- Temporarily above targeted range following the acquisition of Wenger in 2Q22. Aim to be within targeted range of 2-3x in early 2024.
- Marel's strong cash flow model has enabled Marel to deleverage quickly after transformational acquisitions in the past, main drivers of deleveraging will be EBIT improvements and improvements in net working capital.

Marel extends its maturity profile and signs a new EUR 150 million term loan to repay upcoming maturities

- The new term loan of EUR 150m, together with the longer maturity profile of the revolving facility, creates headroom for Marel to repay upcoming maturities, e.g. the Schuldschein notes, and provides increased operational and strategic flexibility in the current financial environment.
- The two-year extension to the EUR 700m sustainability-linked revolving credit facility was signed in July. The term for the credit facility was for five years maturing in 2025, with two one-year extension options. These options have now been utilized, extending the credit facility by two years with final maturity in February 2027.
- The new EUR 150m term loan was signed with Marel's long standing banking partners, i.e. ABN AMRO, BNP Paribas, Danske Bank, HSBC, ING, and Rabobank, and with same margins and maturity as the USD 300m term loan previously announced in November 2022. The maturity of the new term loan is November 2025, with two one-year extension options, subject to lenders approval.

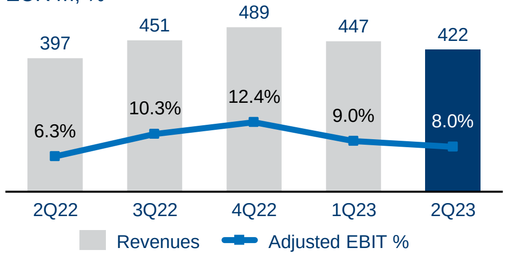
Focus on harvesting transformative investments that support customer centricity and scalability, lower CAPEX planned for 2H23

- Cash capital expenditures excluding R&D investments will be on average 4-5% of revenues in 2021-2026, thereafter returning back to normalized levels. Objective is to automate and digitize the manufacturing platform, supply chain and aftermarket to shorten lead times and support the 2026 target of 50% of revenues coming from service and software.
- After a period of elevated investments, CAPEX planned to be at normalized levels of 2-3% in 2H23. Investments in past quarters were instrumental to secure business and aftermarket growth. Focus in coming quarters on reaping benefits from investments and ensuring the full focus of our team on customer centricity to convert the pipeline into orders.

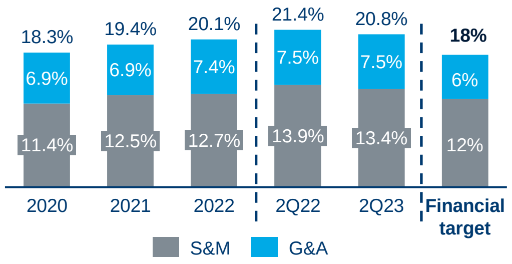
Focus on delivering healthy growth and margin enhancement to reach a sustainable 14-16% EBIT level in the course of 2024

- Management is committed to the financial targets to reach 14-16% EBIT, gross profit of ~38-40% of revenues, and OPEX of 24% consisting of SG&A of ~18% and innovation of ~6%.
- Operational performance in 2Q23 was colored by softer orders received in past quarters. Based on improved market outlook and strong pipeline, conversion to orders expected to continue to pick up in coming quarters.
- Management forecast indicates an EBIT of 12-14% in fourth quarter this year compared to the targeted 14-16% EBIT. Focus on delivering healthy growth and margin enhancement to reach a sustainable 14-16% EBIT level in the course of 2024. The positive long-term structural growth drivers for Marel remain intact.
- Actions in execution to expand gross profit include continued price/cost discipline, higher mix of standard equipment, growing aftermarket revenues by further installed base penetration, balancing load based on order book level by reducing flexible layer in supply chain and engineering, improved portfolio and product lifecycle management, and footprint optimization.
- Actions in execution to reduce OPEX include clear prioritization and execution of internal improvement projects to ensure focus, reaping the benefits of prior investment in digitalization, resulting in reduction of headcount as well as stronger cost management of consultancy, travel, and marketing activities in line with new ways of working accelerated by the pandemic.
- Further actions to be realized include streamlining the backend in terms of location footprint and warehouses as well as procurement savings as a result of ongoing negotiation campaigns.

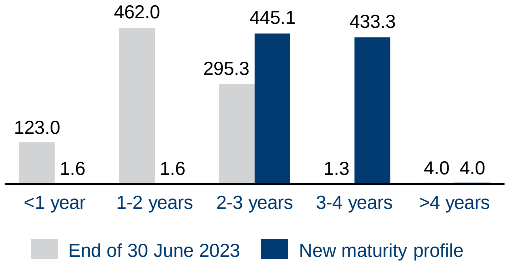
Revenues and adjusted EBIT[1]
EUR m, %



Sales, general and administrative costs
%



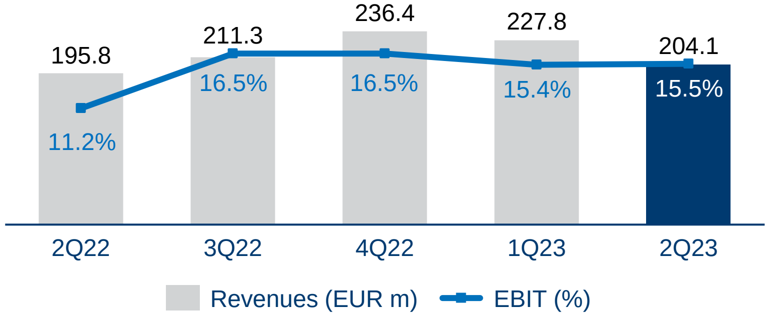
Financing maturity profile[2]
EUR m



Notes: [1] Operating income adjusted for PPA related costs, including depreciation and amortization, and acquisition related expenses. In Q3 2022, Q4 2022 and Q2 2023, operating income is adjusted for restructuring costs. [2] Excluding capitalized finance charges and lease liabilities. Indicative new maturity profile assumes new loan is drawn for repayment of upcoming maturities in December, e.g. Schuldschein.

Business segment performance

Marel Poultry



Resilience in operational results despite lower revenues due to timing of conversion of pipeline into orders received. Pipeline is strengthening and outlook is promising.

Orders received for Marel Poultry improving QoQ while still at a low level due to larger projects shifting between quarters. Economic and geopolitical uncertainty as well as unfavorable development in input costs and prices for poultry processors continues to impact the timing of customer investment decisions and financially securing orders. Projects secured from the US, Eastern Europe, the Middle East and China in the quarter.

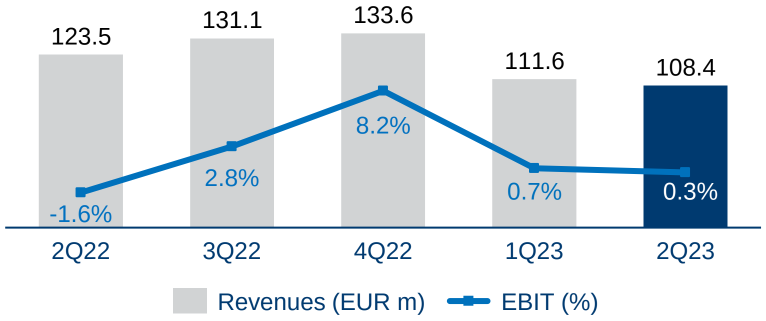
Outlook is promising where large projects are moving higher up in the pipeline in terms of probability. Industry consolidation enables further investment in automated and digitized processing capabilities optimized for more processing power and sustainability.

Revenues in 2Q23 for Marel Poultry were EUR 204.1m, down 10.4% QoQ due to lower project revenues, however up 4.2% YoY (1Q23: 227.8m, 2Q22: 195.8m). Continued momentum in aftermarket with growth in spare parts and Service Level Agreements (SLAs). New warehouse for manufactured parts became operational in April to automate and improve flow and flexibility in our main poultry facility in Boxmeer. Ramp up in efficiency expected in coming quarter.

***EBIT*[1] margin** in the quarter was 15.5% (1Q23: 15.4%, 2Q22: 11.2%) and driven by higher share of aftermarket revenues and strong cost management in line with lower project volume.

Management targets short-term EBIT margin expansion for the Poultry segment. Marel Poultry's competitive position and pipeline remains strong. Based on the large installed base in the poultry industry, there are further growth opportunities for aftermarket services and SLA sales.

Marel Meat



Solid quarter in orders received despite challenging market conditions. Timing of pipeline conversion remains uncertain, actions enacted to right size in line with demand.

Orders received for Marel Meat in the quarter were solid and significantly higher than the low level in 1Q23, driven by large projects in North and Latin America, e.g. Loneg greenfield in both primary and secondary processing in Mexico. Pipeline is stronger in North America while weaker in Europe, especially in primary processing. High inflation and focus on sustainability is shifting consumer preferences to more affordable proteins, though beef has been more resilient than pork. With the continued challenging market conditions in the meat industry, outlook remains uncertain.

In July, Marel signed a long-term strategic partnership with Muyuan, the world's largest pig breeder, to accelerate the transformation of China's pork industry. This includes investing further in primary processing and expanding secondary processing focusing on retail-ready products fitting local consumer preferences across China. From 2020 to early 2022, Marel delivered 11 state-of-the art greenfield projects to Muyuan, replicated across multiple locations.

Revenues in 2Q23 for Marel Meat at EUR 108.4m, down 2.9% QoQ and down 12.2% YoY (1Q23: 111.6m, 2Q22: 123.5m), due to lower volumes across both projects and standard equipment. Aftermarket showing resilience with strong spare parts sales in North and Latin America and rising revenues from Service Level Agreements in Europe.

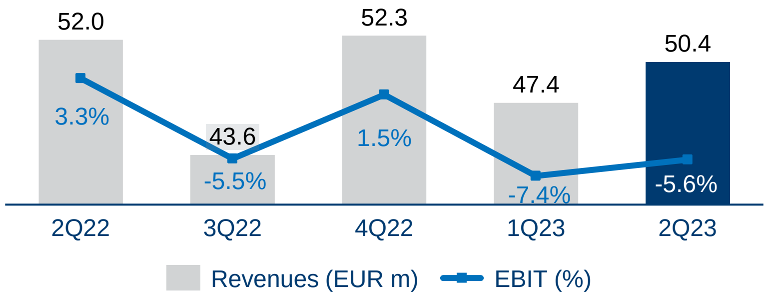
***EBIT*[1] margin** in 2Q23 of 0.3% (1Q23: 0.7%, 2Q22: -1.6%) impacted by the soft order book and low project revenues.

Management continues to target EBIT margin expansion for Marel Meat, with more volume needed to cover the cost base and improve profitability. Mitigating actions are focused on right sizing Marel Meat's resources, locations and portfolio in line with the order book and outlook.

Notes: [1] Operating income adjusted for PPA related costs, including depreciation and amortization, and acquisition related expenses. In Q3 2022, Q4 2022 and Q2 2023, operating income is adjusted for restructuring costs.

Business segment performance

Marel Fish



Soft orders received in the quarter, profitability negatively impacted by mix and acquisitions, right sizing actions expected to result in EBIT improvement.

Orders received for Marel Fish in the quarter were soft compared to a strong 1Q23. Demand in the value chain is impacted by consumers' shift to cheaper proteins in the current market environment, as well demand for salmon-related solutions across Norway and other regions is still impacted by tax changes in Norway. Tax rate now confirmed at lower level than initially proposed and limited to sea water phase of net-pen farming.

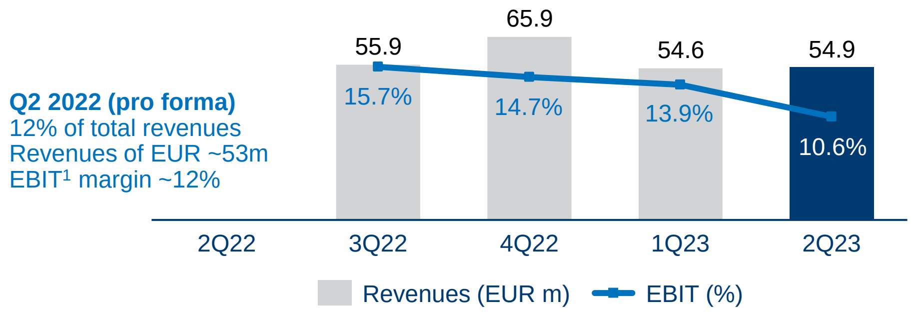
Outlook for orders received is positive with solid pipeline in Europe. Indications of a recovery in orders received compared to 2Q23. Marel was prominent at the Seafood Processing Global exhibition in Barcelona in April, one of the key trade shows for fish processing, demonstrating our latest innovative technology to processors from across the world.

Revenues in 2Q23 for Marel Fish were EUR 50.4m, up 6.3% QoQ and down 3.1% YoY (1Q23: 47.4m, 2Q22: 52.0m) driven by good project revenues and order book.

***EBIT[1]* margin** in 2Q23 was -5.6% (1Q23: -7.4%, 2Q22: 3.3%) and below expectations. Results impacted by low margin projects from acquisitions being finalized and high one-off expenses. Right sizing actions around lowering operational costs and optimizing manufacturing footprint executed in the quarter.

Management continues to target short-term EBIT margin expansion for the Fish segment, based on right sizing actions already enacted and continued focus on operational efficiency.

Marel Plant, Pet and Feed



Strong orders received in 2Q23, outlook and pipeline remains solid. Operational performance soft due to mix in the quarter, FY23 expectation of historical 14-15% EBIT.

Orders received for Marel Plant, Pet and Feed (PPF) were strong in 2Q23 driven by a large order in plant-based protein solutions in the US, focused on textured vegetable protein with a leading producer and supplier of specialty plant-based oils, fats and protein that are high in nutrition and produced in a sustainable way.

Wenger has a strong foothold in the North and Latin American market and strong recurring revenues from aftermarket services. Management is targeting to leverage on Marel's global reach to expand market presence for PPF outside the Americas and further cross- and upsell Marel's complementary product offering into the target segments of plant, pet and feed.

Outlook and pipeline remains solid in pet food while softer in plant-based solutions and aqua feed.

Revenues in 2Q23 were EUR 54.9m, flat QoQ, (1Q23: 54.6m, pro forma 2Q22: ~53m) in line with expectations. Good customer deliveries as parts availability is improving.

EBIT[1] margin in 2Q23 of 10.6% (1Q23: 13.9%, pro forma 2Q22: ~12%). EBIT soft in the quarter, impacted by product mix which is expected to improve in 2H23.

Management is targeting short-term EBIT margin expansion for the Plant, Pet and Feed segment and expects operational performance for the FY23 to be in line with historical performance of 14-15% EBIT.

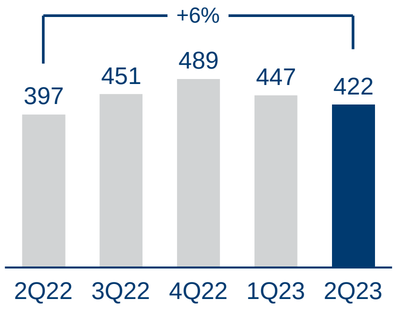
Notes: [1] Operating income adjusted for PPA related costs, including depreciation and amortization, and acquisition related expenses. In Q3 2022, Q4 2022 and Q2 2023, operating income is adjusted for restructuring costs.

Key figures and outlook

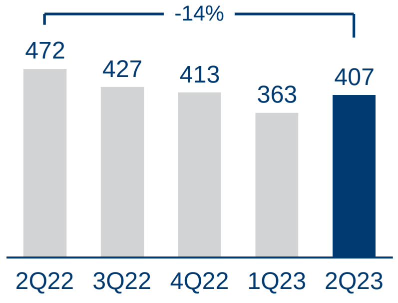
Outlook

- 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.
- Market conditions remain challenging resulting in elevated uncertainty. Headwinds expected to moderate in coming quarters, supported by optimization actions and general easing in supply chain and logistics, resulting in improved operational performance towards the financial targets. Labor scarcity, inflation and rising input costs, coupled with 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.
- Management is committed to the financial targets to reach 14-16% EBIT, gross profit of ~38-40% of revenues, and OPEX of 24% consisting of SG&A of ~18% and innovation of ~6%.
- Management forecast indicates an EBIT of 12-14% in fourth quarter this year compared to the targeted 14-16% EBIT. Focus on delivering healthy growth and margin enhancement to reach a sustainable 14-16% EBIT level in the course of 2024.
- In the period 2017-2026, Marel is targeting **12% average annual revenue growth** through market penetration and innovation, complemented by strategic partnerships and acquisitions.
    - Maintaining solid operational performance and strong cash flow is expected to support **5-7% revenue growth** on average by acquisition.
    - 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%** 2021-2026, due to catch up effect and a tailwind in the market.
    - Recurring aftermarket revenues to reach **50% of total revenues** by YE26, including software and services.
- Marel's management expects basic EPS to grow faster than revenues.
- Cash capital expenditures excluding R&D investments are expected to increase to an average of 4-5% of revenues in 2021-2026. After a period of elevated investments, CAPEX to be at normalized levels of 2-3% in 2H23.

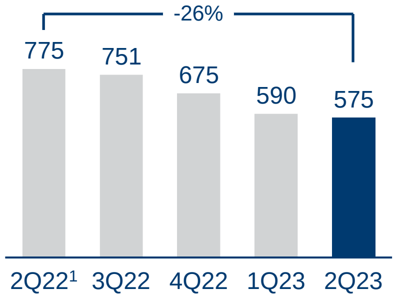
Revenues
EUR m



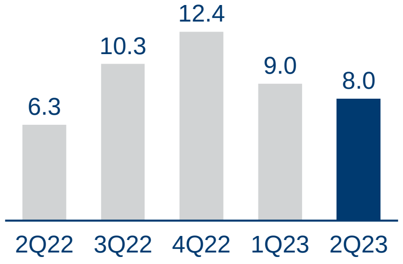
Orders received
EUR m



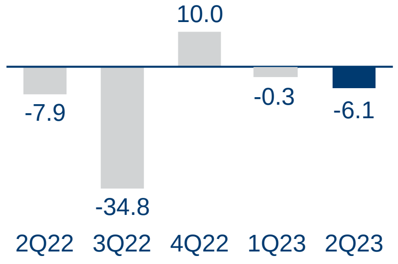
Order book
EUR m



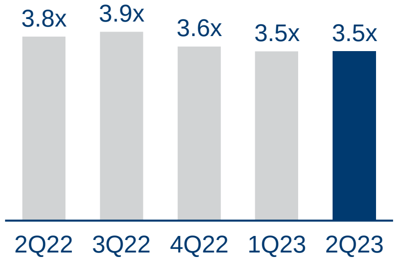
EBIT[2] margin
%



Free cash flow[3]
EUR m



Leverage[4]
Net debt/EBITDA



Notes: [1] Including acquired order book of EUR 81m from Wenger and Sleegers in 2Q22. [2] Operating income adjusted for PPA related costs, including depreciation and amortization, and acquisition related expenses. In Q3 2022, Q4 2022 and Q2 2023, operating income is adjusted for restructuring costs. [3] Free cash flow defined as cash generated from operating activities less taxes paid and net investments in PP&E and intangible assets. [4] Net debt (including lease liabilities) / Pro forma LTM adjusted EBITDA including recent acquisitions.

Investor relations

Virtual investor meeting – live broadcast

On Thursday 27 July 2023, at 8:30 am GMT (10:30 am CET), Marel will host an investor meeting where senior management will give an overview of the financial results and operational highlights in the second quarter.

Please note that the investor meeting will be virtual only.

The meeting will be streamed live via Zoom and a recording will be made available after the meeting on marel.com/ir.

Please register for the webcast here.

Upcoming investor conferences and events in 2023

Marel regularly engages with market participants during non-deal roadshows, equity sales briefings, conferences, and other events. Here are some of Marel's upcoming investor events in 2023:

- Kepler Cheuvreux Autumn Conference, Paris, 12 September
- BNP Paribas Exane MidCap CEO Conference, Paris, 13 November
- Berenberg European Conference, Surrey, 6 December
- ING Benelux Conference USA, New York, 12 December

Upcoming trade shows and events in 2023

Marel regularly participates in exhibitions around the world where it showcases the company's innovative solutions. In addition, Marel hosts its own trade shows and KnowHows in the company's demonstration facilities. Here are some of Marel's upcoming events in 2023:

- Aqua Nor in Trondheim, Norway, 22-24 August
- Vietfish in Ho Chi Minh City, Vietnam, 23-25 August
- ILDEX in Jakarta, Indoenesia, 20-22 September
- Conxemar in Vigo, Spain, 3-5 October
- Iba in Munich, Germany, 22-26 October

Contact us

Tinna Molphy

Marino Jakobsson

Ellert Gudjonsson

ir@marel.com

+354 563 8001

@Marel_IR / $MAREL

Financial calendar

Marel will publish its financial results according to the below financial calendar:

- Q3 2023 – 23 October 2023
- Q4 2023 – 7 February 2024
- AGM – 20 March 2024

Financial results will be disclosed and published after market closing of both Nasdaq Iceland and Euronext Amsterdam.

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.

Appendix: Non-IFRS adjustments

- Non-IFRS adjustments are made up of:
  I. Purchase Price Allocation (PPA) related charges, non-cash
    - Inventory uplift related PPA charges
    - Depreciation and amortization of acquisition related tangible and intangible assets
  II. Acquisition related expenses include fees paid as part of an acquisition process, whether the process resulted in an acquisition or not
    - Legal, consultancy, and contingent payments (e.g. stock option grant as part of an acquisition with service requirement)
  III. Restructuring costs
    - Severance costs related to headcount reductions
- Since 3Q22 PPA charges have been elevated due to the inventory uplift from the Wenger acquisition which is now fully amortized.
- Quarterly PPA related charges expected to be around EUR 7.1m in coming quarters compared to EUR 12.1m in 2Q23.
- No other Non-IFRS adjustments are included.

Quarterly Non-IFRS adjustments on EBIT and EBITDA

Non-IFRS adjustments breakdown	**2Q23**	**1Q23**	**4Q22**	**3Q22**	**2Q22**
PPA related charges	12.1	15.0	17.4	16.0	5.6
Acquisition related expenses	0.7	2.1	2.5	5.6	4.6
Restructuring costs	3.9	-	2.9	5.5	-
Total non-IFRS adjustments	16.7	17.1	22.8	27.1	10.2

Adjusted EBIT reconciliation

EBIT	17.1	23.1	38.1	19.1	14.8
PPA related charges	12.1	15.0	17.4	16.0	5.6
Inventory uplift related charges	*5.2*	*8.1*	*9.6*	*9.5*	*0.5*
Depreciation and amortization of other acquisition related assets	*6.9*	*6.9*	*7.8*	*6.5*	*5.1*
Acquisition related expenses	0.7	2.1	2.5	5.6	4.6
Restructuring costs	3.9	-	2.9	5.5	-
Adjusted EBIT	33.8	40.2	60.9	46.2	25.0

Adjusted EBITDA reconciliation

EBITDA	40.1	46.3	62.9	40.7	33.4
Inventory uplift related PPA charges	5.2	8.1	9.6	9.5	0.5
Acquisition related expenses	0.7	2.1	2.5	5.6	4.6
Restructuring cost	3.9	-	2.9	5.5	-
Adjusted EBITDA	49.9	56.5	77.9	61.3	38.5