



***marel | cmd***  
*Capital Markets Day*

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# Growth



# Agenda

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## 1. Welcome and introduction

- Tinna Molphy, - Director IR

## 2. Delivering growth globally, digitally and sustainably

- Arni Oddur Thordarson, - Chief Executive Officer

## 3. Key pillars to support 12% revenue growth

- Arni Sigurdsson, - Chief Strategy Officer and EVP Strategic Business Units

## 4. Financial strength to support the growth ahead

- Linda Jonsdottir, - Chief Financial Officer

## 5. Q&A panel discussion

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**Growth**



Arni Oddur Thordarson

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# Delivering growth globally, digitally and sustainably

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# Arni Oddur Thordarson

Chief Executive Officer

Arni Oddur Thordarson became Marel's CEO in November 2013, having served as Chairman of Marel's Board of Directors from 2005. Thordarson co-founded Eyrir Invest in the year of 2000 and was the company's CEO until 2013. He has extensive international global business experience and has served as non-executive director of various companies including Fokker Technologies and Stork Technical Services.

## Education

MBA, IMD, Switzerland

Cand. Oecon., Business Administration, University of Iceland

17 years with Marel / 17 years in Industry







Consumer preferences becoming more diversified, focused on convenience, freshness & health

Rising income drives more protein consumption



# We envision a world where quality food is produced sustainably and affordably

## Unity

We are united in our success

## Innovation

Innovation drives the value we create

## Excellence

Excellence is what differentiates us



Global population expected to grow to ~10bn by 2050

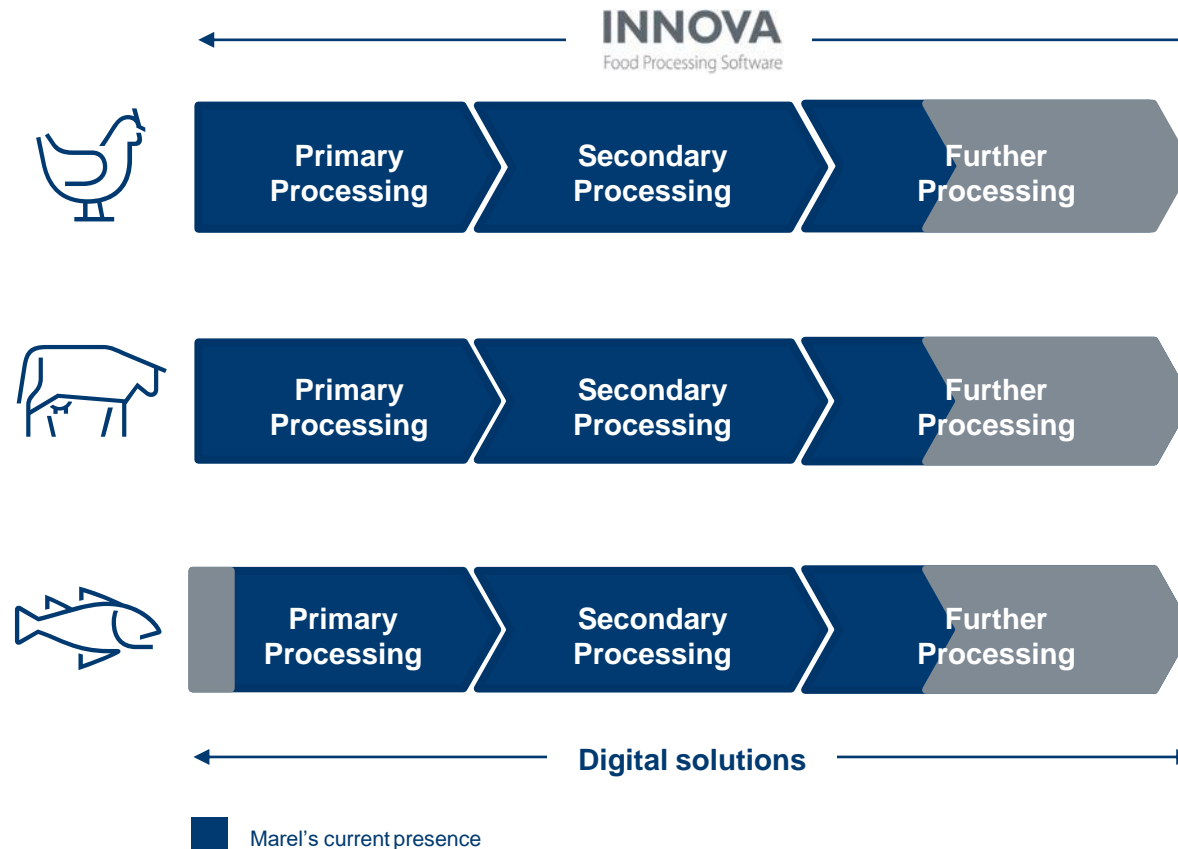
Marel is at the center of these prevailing trends





# Best-in-class products and technology

Marel is a unique provider of solutions, software and services, supporting customers across the value chain



## Line solutions provider...

- ✓ • One-stop shop for the customer
- ✓ • Seamless integration & more efficiency
- ✓ • Strong competitive advantage

## ...across poultry, meat and fish...

- ✓ • More resilient business model
- ✓ • Technology transfer across industries
- ✓ • Better utilization of resources

## ...with standard and modular offering...

- ✓ • Scalable: Less engineering and easier to manufacture
- ✓ • Improved service
- ✓ • Better customer experience

## ...and market leading proprietary software

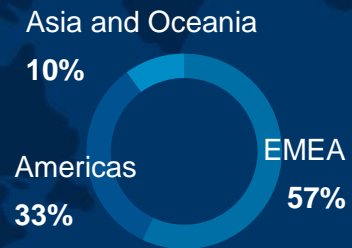
- ✓ • Traceability and sustainability
- ✓ • Linking equipment to function as single entity
- ✓ • Real-time actionable insights to improve operations



EUR orders received annualized 9M21<sup>1</sup>

1.5bn

Revenue split by geography



Revenues invested in INNOVATION

~6%

39 years since foundation



Commitment to ESG / UN SDG



~7,000 employees

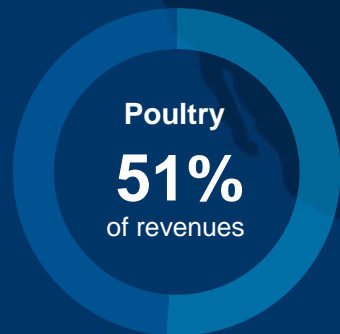
Compounded average revenue growth of

~20%

Per annum since listing in 1992

Equipment 60% of total revenues

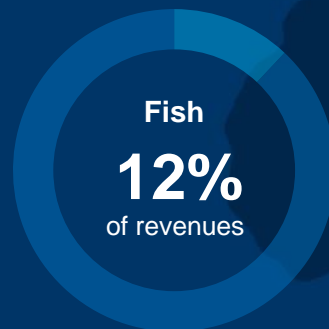
Aftersales 40% of total revenues



Poultry 51% of revenues



Meat 34% of revenues



Fish 12% of revenues

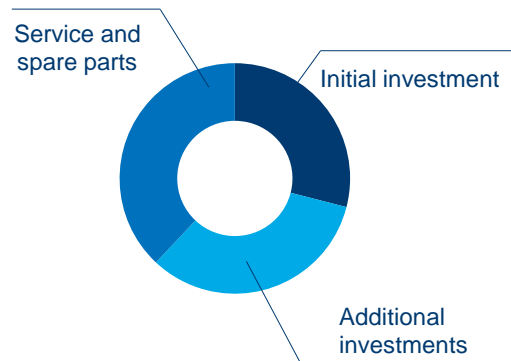


# From startup to global leader

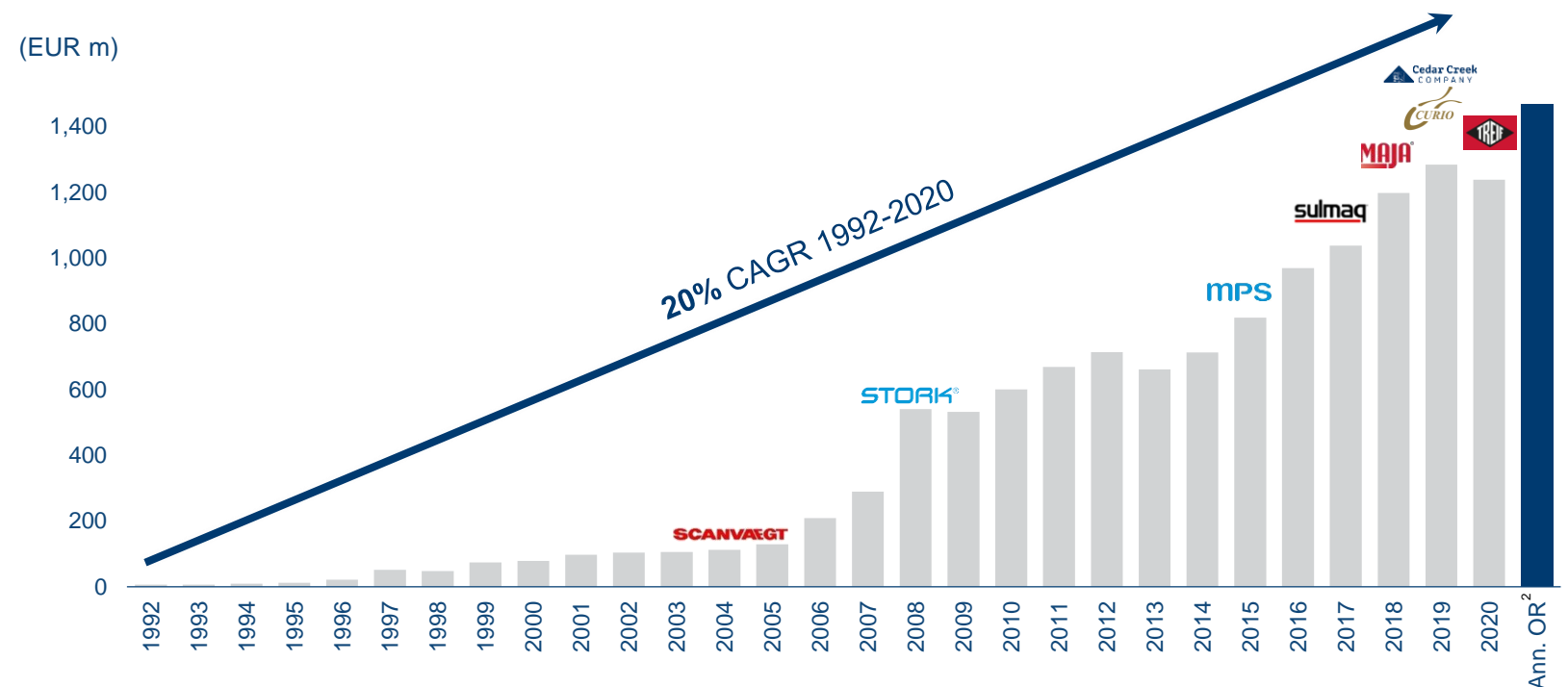
Marel had 7,000+ employees and EUR 1,238m in revenues in 2020, a stark increase from its 45 employees and revenues of EUR 6m at the time of listing on Nasdaq Iceland in 1992.

Orders received in the last twelve months of EUR 1,421m and annualized 9M21 orders received amount to EUR 1,468m.

## 10 year revenue profile from a customer



## Strong revenue growth since 1992



After-sales as % of revenue

10%

40%



# End-market of EUR 1,200-1,300 billion

## Growing 3% per year

- Commercial value of poultry, meat and fish processing industries expected to grow 3% annually in the long-term
- Ongoing shifts in consumer behavior and demand across market channels such as e-commerce, food service and traditional supermarkets





# Marel's strong brand and unique offering cater to its loyal blue-chip customer base



# Marel is at the center of prevailing trends

## Drivers of production volume



### Population growth

*More demand for food, especially from Asia and Africa*



### Rising income

*Increased protein consumption typically correlates to higher income*

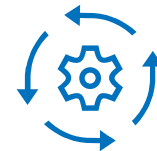


### Consumer preferences

*Consumer preferences more diversified, focused on convenience, freshness & health*

**The market for food processing solutions, software and services for the three key proteins, poultry, meat and fish, is expected to grow by 4-6% in the long-term**

## Drivers of Marel's addressable market



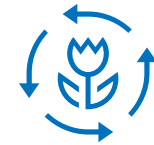
### Automation

*Continued focus on automation to combat labor shortages and increased costs*



### Agility

*Flexibility to match changing consumer preferences with different products*



### Sustainability

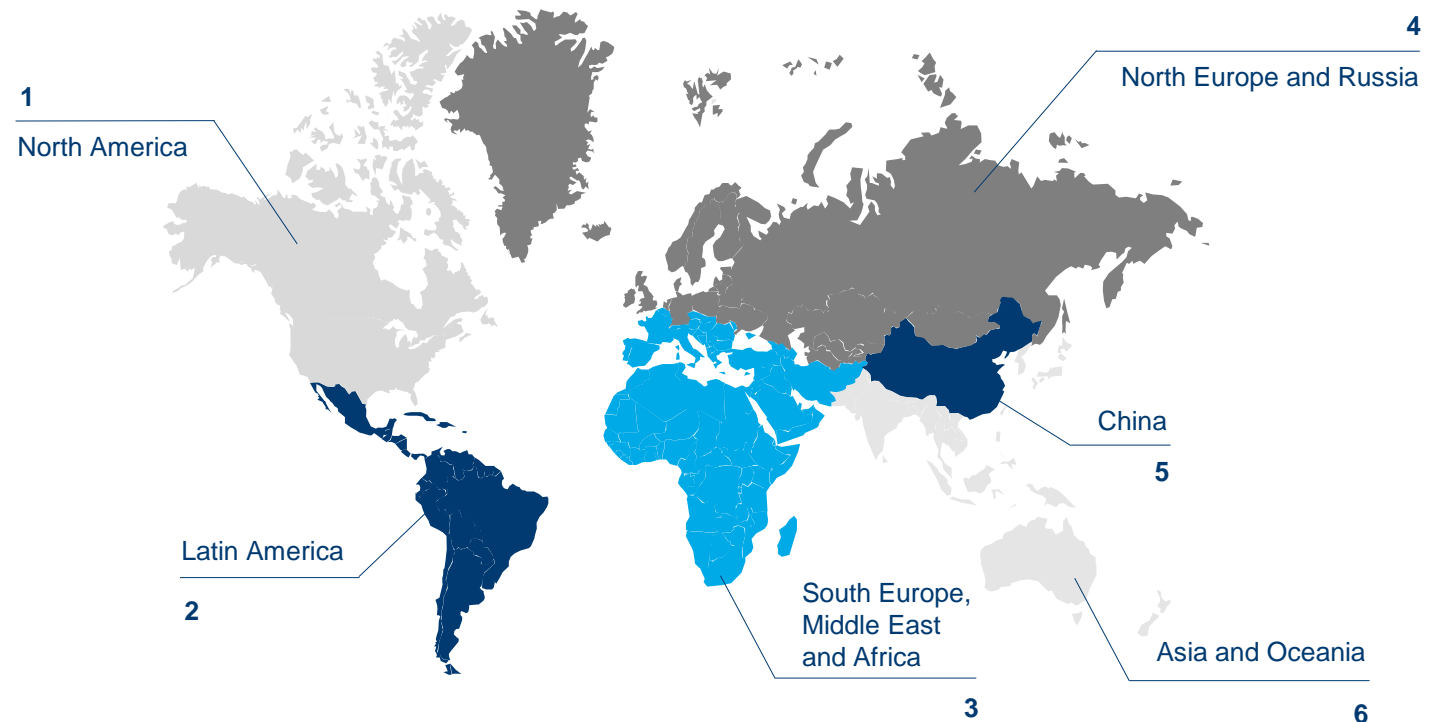
*Food safety, traceability and the efficient use of resources are key priorities*

**We believe the market growth will be at a level of 6-8% in the next five years due to catch up effect from the past five years and a very strong tailwind in the market today accelerated by the pandemic**



# Global structure in six key regions serving customers in 140 countries

- In 2019, we started a program to strengthen our local presence around the globe defined by six key regions
- This global reach proved to be instrumental to our resilience and ability to engage with, service, and support our customers during the pandemic

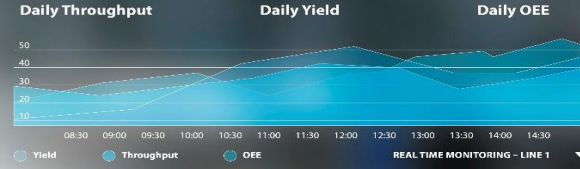
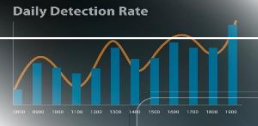
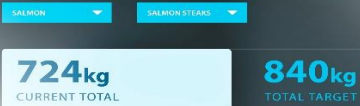


# Marel software offers powerful end-to-end solutions allowing food processors to maximize productivity

## Top 10 products record



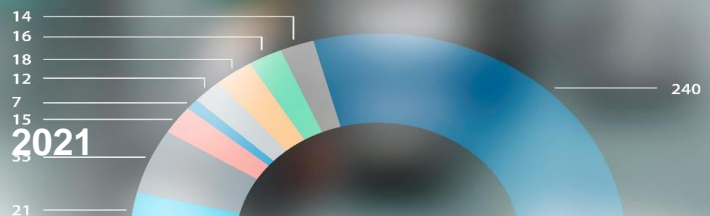
### Daily Production Rates



### Order Status

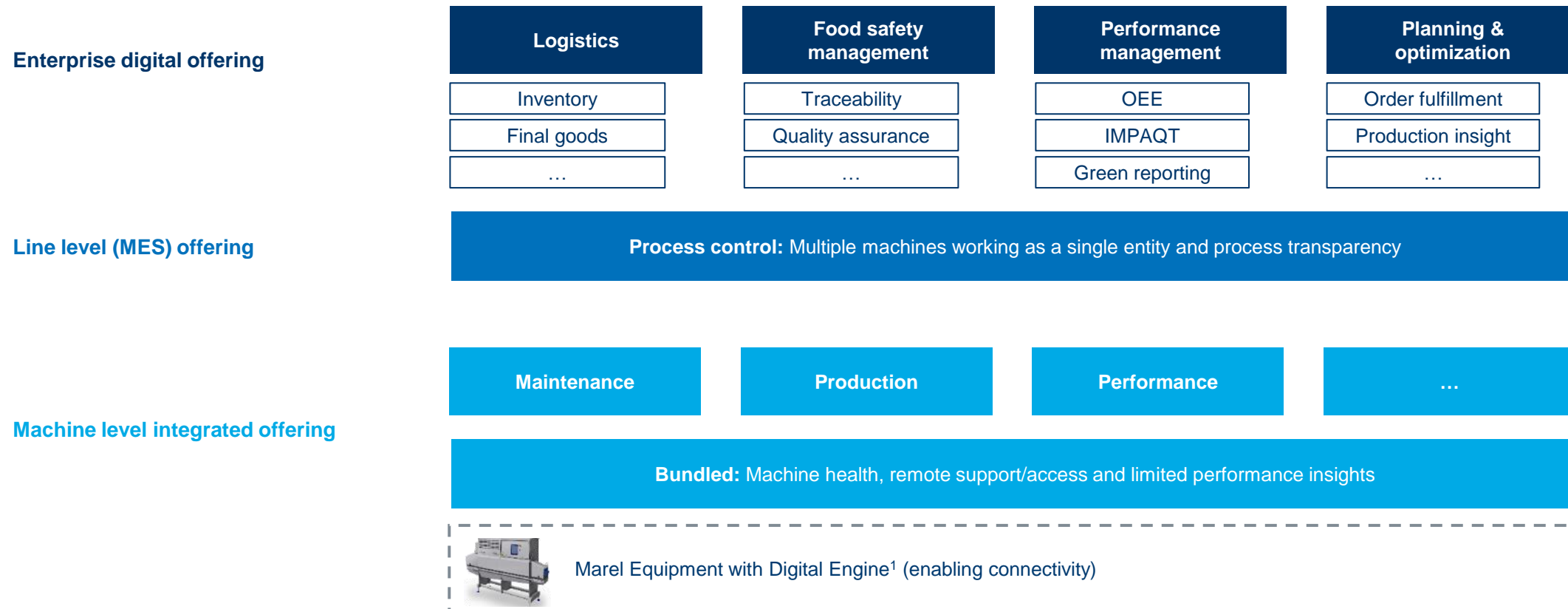


### Inventory count by product breakdown





# Digital offering can be split into three layers



# Sustainability is our business and is embedded throughout all of our operations



# Transforming food processing for sustainable outcomes and returns

Major commitments include:



Marel focuses on the following UN Sustainable Development Goals:



Make sure to stay tuned for Marel CMD Sustainability on 9 Dec

Customer health and safety	Animal wellbeing	Automation
Food waste reduction	Traceability	Yield
Food safety and security	Robustness and durability	Environmental impact



▶ Video

# Customers and Marel share an ambition for sustainability and food quality

Customer case study

A hand is shown in silhouette, holding a magnifying glass. The lens of the magnifying glass is focused on a long-exposure photograph of a highway at sunset. The highway's lights are blurred into long, vibrant streaks of yellow and red, receding into the distance under a colorful, orange and red sky. The word "Growth" is written in a large, bold, white sans-serif font across the center of the magnifying glass's lens. The background of the entire image is a dark, bokeh-filled space with out-of-focus light spots in shades of blue, purple, and orange.

**Growth**



Arni Sigurdsson

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# Key pillars to support 12% revenue growth

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# Arni Sigurdsson

Chief Strategy Officer & EVP Strategic Business  
Units

Arni Sigurdsson joined Marel in 2014. He leads the Strategy and M&A as well as the business units of Retail and Food Service Solutions and Innova Software. Sigurdsson serves on the board of Worximity Technology Inc. Before joining Marel, he was an associate at AGC Partners. Prior to that, he worked at Landsbanki Islands, where he supported Marel on the acquisition of Stork Food Systems.

## Education

MBA, Harvard Business School

BS, Industrial Engineering, University of Iceland

8 years with Marel / 10 years in Industry





# Three key strategic pillars to drive customer engagement and growth



## Customer focus

- ✓ Reliable (maintenance) partner - operate in same time zone, culture and language as our customers
- ✓ Focus on effortless customer journey and best in class infrastructure to drive customer engagement
- ✓ Improved sales & service coverage



## Best-in-class products and technology

- ✓ Leader in best-in-class, high quality equipment, lines and digital solutions
- ✓ Close partnership with customers addressing opportunities with product development and strategic partnerships
- ✓ Standard and modular building blocks with overarching software and strong service model



## People and Culture

- ✓ Identifying and developing future leaders for strategic roles across the business
- ✓ Great talent drives our success but is in high demand, so attraction and retention is key
- ✓ Developing high performing teams by focusing on diversity, inclusion and development opportunities



# Customer focus

Reliable and easy to do business with



Make sure to stay tuned for  
Marel CMD Global Reach on 18 Nov

## Global reach, local presence

- Six strong regions building strong long-term customer partnerships
- Fully dedicated management on the ground, operating in same time zone, culture & language as our customers, with understanding of local dynamics & customer needs
- Over 30% growth in direct sales & service FTEs in the last 18 months in emerging markets
- “Seeing is believing” – new demo centers in Brazil & China, bringing Marel closer to our customers in key regions

## Effortless customer journey

- Investing in new spare parts distribution model (processes & infrastructure) from customer to delivery
- Being a reliable maintenance partner with attractive delivery promises is of essence for both Marel and our customers
- Using virtual reality to enhance the customer experience by simulating & showing food processing plants before order

## New retail & food service solutions business unit

- More agile approach to meet changing customer needs driven by backward integration and increased choice in retail channels
- Main focus is on the value chain from consumer up to cut-up & deboning (secondary and further processing)
- Dedicated business development to focus on adjacent markets in alternatives and pet food





# Best-in-class products and technology

Digitalization, automation and sustainability are core focus areas in our innovation

## EUR ~75 million invested in innovation in 2020

Marel strives to provide solutions and line concepts that provide superior value to our customers

We have a strong commitment to innovation with ~6% of revenues invested annually

Innovation is our value



Innovation is at the heart of Marel and one of our three core values

Partnership with customers



Long-standing tradition of co-operation between our customers and employees in innovation

Over 1,000 employees dedicated to innovation

Strategic partnerships



Successful strategic partnerships with academia and best-in-class companies

ESG at the center




Sustainable thinking is an integral part of the development process

Proven track record



Transformative solutions introduced in 2020 where focus was on sustainability, automation and smart processing

Record year with over 30 new solutions released

 Video

# Successful partnership with best-in-class companies

Partnership / Marel Spectra





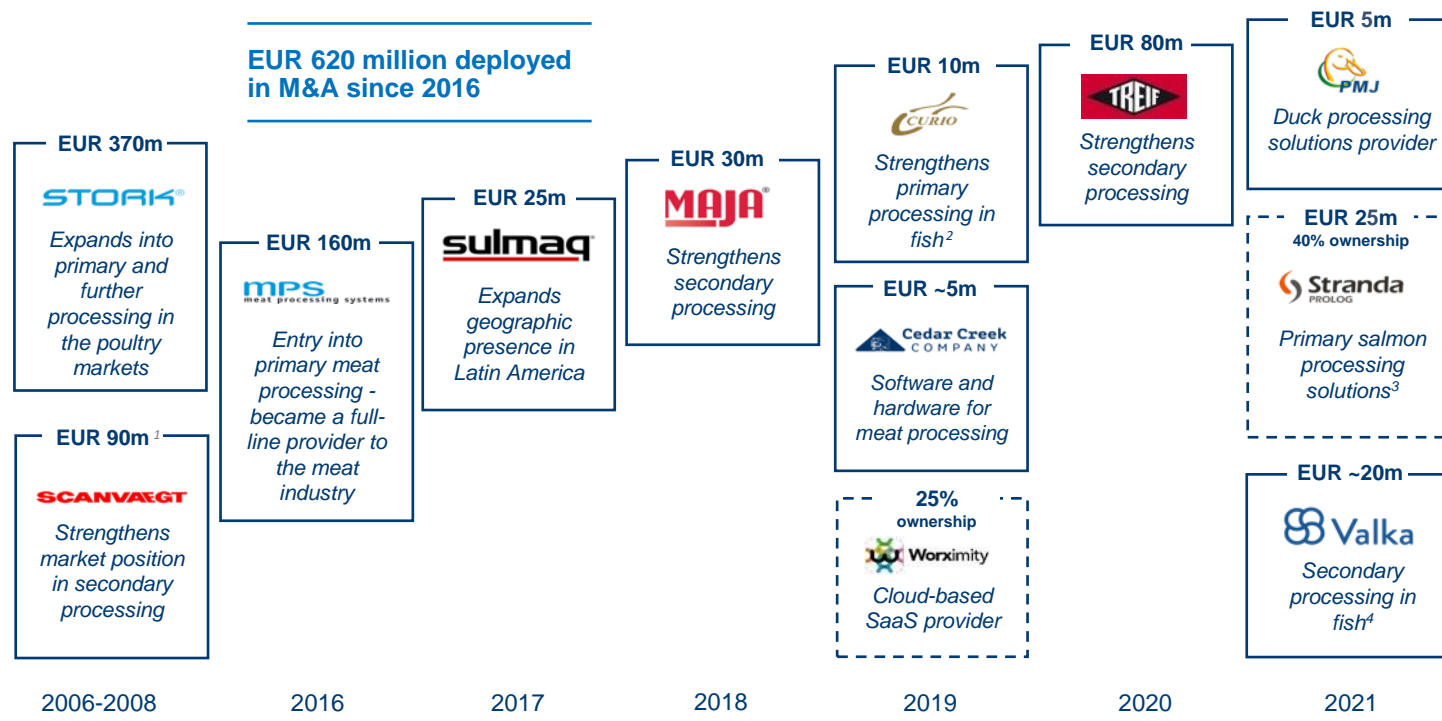
# Digital vision

Be the digital partner of choice for the food processing industry, and enable customers to sustainably maximize value creation by providing the digital products and platform for interconnectivity and optimization.



Make sure to stay tuned for Marel CMD Digital on Nov 18

# Marel has deployed EUR 620 million in high quality acquisitions



## Key acquisition rationale

- ✓ Strengthened line offering in poultry, meat and fish
- ✓ Improved high quality product portfolio
- ✓ Better market reach and customer engagement
- ✓ Shared vision & strategy

Strategic investments



# Acquisitions are to enhance our key strategic pillars and drive organic growth

## Market opportunities

Reinforce market presence and build new and current customer relationships



Customer focus

## Complementary solutions

Strengthen product portfolio and line offering



Best-in-class products and technology

## Shared vision and strategy

Aligned vision and strategy with cultural fit



People and Culture

# Stimulating organic growth



Dutch duck and goose processing solutions provider

**Added a third pillar within poultry processing**

*Ulybino*

*Siberia, Russia*

A joint success project for combined PMJ and Marel Poultry where technical and sales expertise were the defining characteristics of this full-line project



Leading German food cutting technology provider

**Strengthened Marel's full-line offering and increased standard equipment sales**

*Vion*

*Altenburg, Germany*

First integrated project for TREIF and Marel Meat, with Marel being able to add more capabilities to a project that TREIF was already involved in



Icelandic whitefish processing solutions provider

**Strengthened Marel's full-line offering for the fish industry**

*Brim Seafood*

*Reykjavik, Iceland*

The most advanced whitefish processing facility in the world, with primary capabilities from Curio along with Marel processing solutions and software





# Sulmaq

Expanded geographic presence in Latin America with acquisition of Sulmaq in 2017

## Frimesa in Assis Chateaubriand, Brazil

- Together, Marel Meat and Sulmaq were able to secure a sale of a greenfield project in Brazil, constituting Marel Meat's largest sale ever in Latin America
- The FRIMESA plant will be the largest and most advanced pork processing plant in Latin America and is on track to open in January 2023



Partnership with our customers  
Changing the way food is processed.  
Creating a world where quality food  
is produced sustainably and affordably.

▶ Video

# Marel's integration objective is to strengthen our integrated line offerings, drive cross selling and enable continued profitable organic growth

Integration approach / Sulmaq



# Future M&A

## Why Marel?



Global reach



Shared vision  
and strategy



Succession of  
family owned  
businesses



Digitalization





**Growth**



Linda Jonsdottir

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**Proven track record of  
strong financial results  
and value creation**

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# Linda Jonsdottir

Chief Financial Officer

Linda Jonsdottir has been Marel's CFO since 2014. Before that, she was Marel's Corporate Director of Treasury and Investor Relations. Prior to joining Marel, Jonsdottir worked in treasury and financing for Eimskip, Burdaras and Straumur Investment Bank. She was a member of the Board of Directors of Icelandic Enterprise Investment Fund from 2010 to 2015.

## Education

MSc, Finance, Reykjavik University

Cand. Oecon., Business Administration, University of Iceland

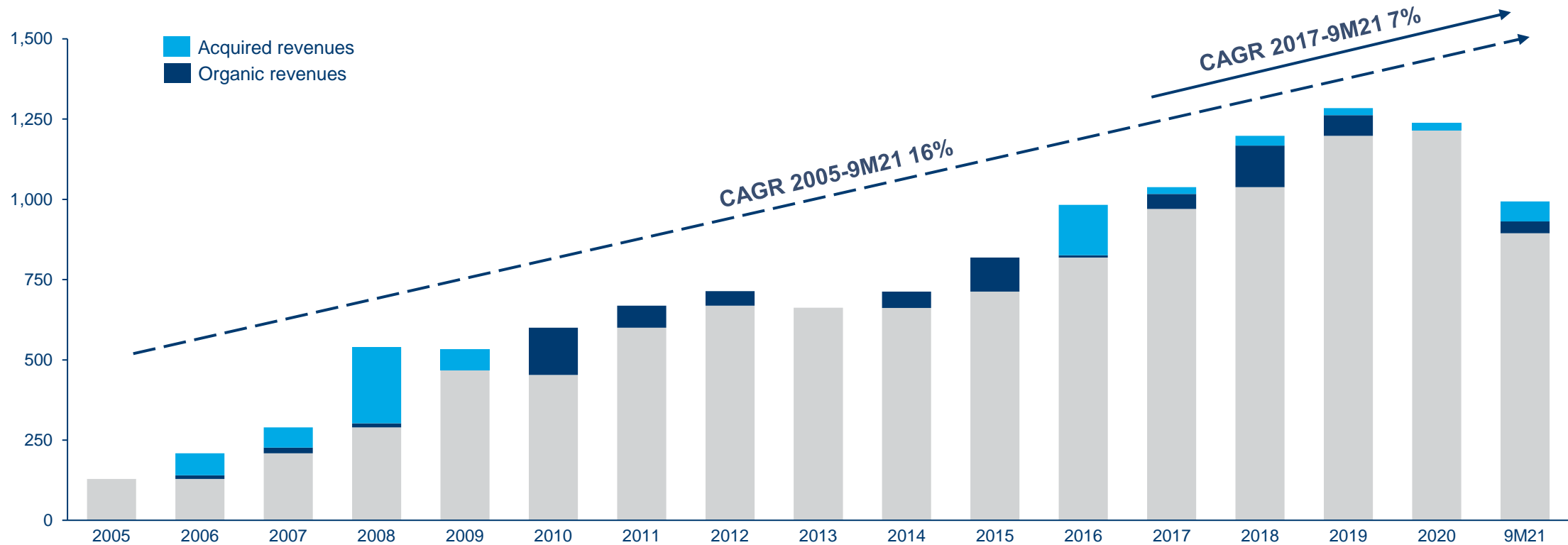
12 years with Marel / 12 years in Industry





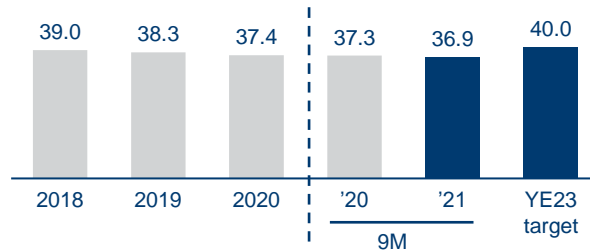
# Revenues have grown 10x since 2005 and EBIT 17x

Revenues  
EUR m



## Examples of initiatives

**Gross profit**  
% of revenues



Targeting more aftermarket potential

Higher standard equipment sales

Improving ratio of direct vs indirects

End-to-end spare parts journey

More focus on value-based pricing

Life-cycle management

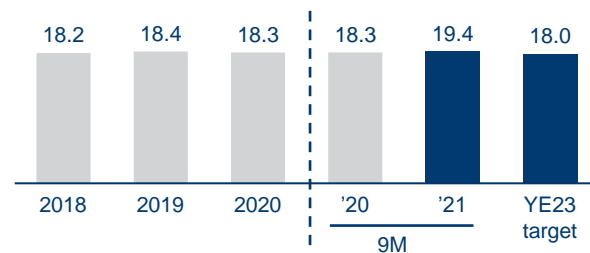
Increased market coverage

Digital approach to sales and marketing

New ways of working, less fly-in, fly-out

Shared services center in Poland

**Sales, general and administrative expenses**  
% of revenues



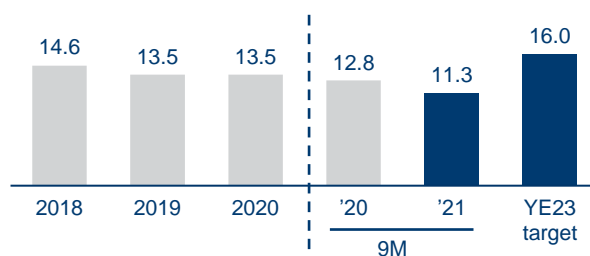
Margin expansion for Marel Meat

Cross- and upselling  
Market penetration

Margin expansion for Marel Fish

Full-line offering  
Higher volume

**Adjusted EBIT margin**  
% of revenues

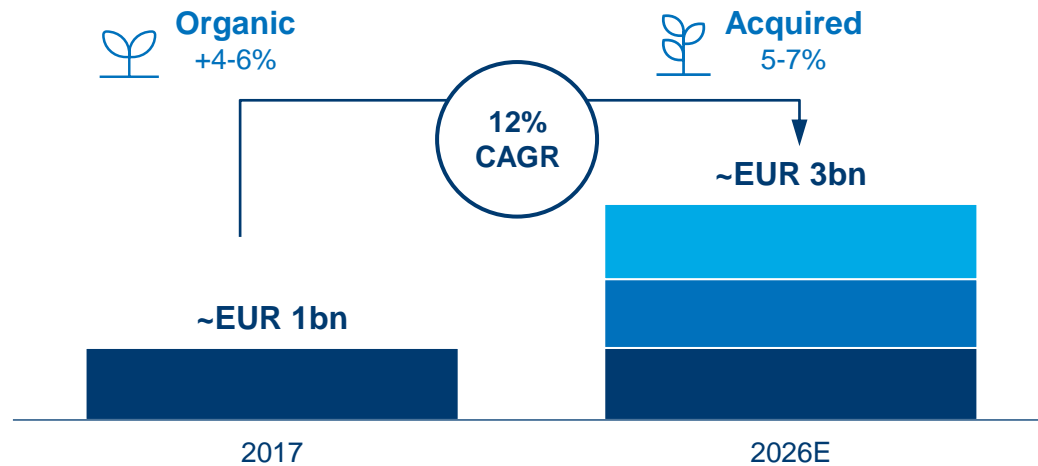


# Mid-term targets YE23

- Gross profit of 40%
- SG&A of 18%
- Innovation promise of 6% of revenues
- Adjusted EBIT margin of 16%



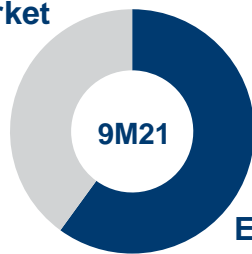
12% average annual growth target from 2017 - 2026<sup>1</sup>



Business mix split

Service / Spares  
Aftermarket

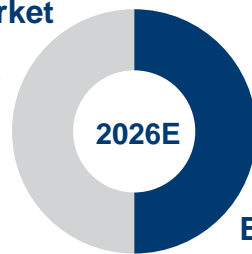
~40%



Equipment  
~60%

Service / Spares / Software  
Aftermarket

~50%



Equipment  
~50%

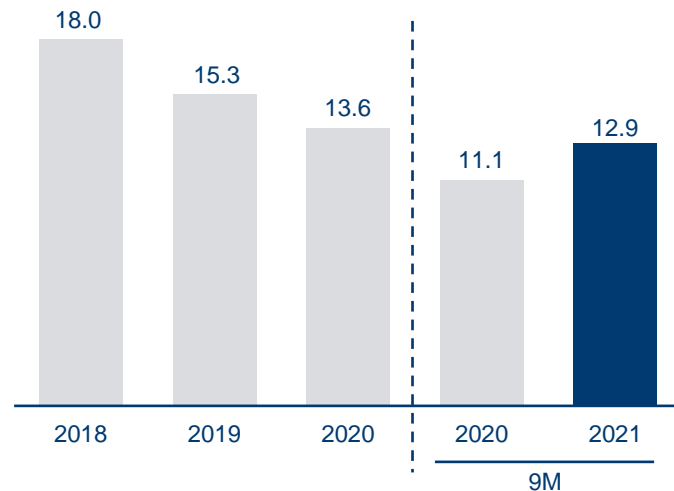
# Long-term targets YE26

- 12% average annual revenue growth in 2017-2026<sup>1</sup>
- 50% of revenues to come from service, spares and software
- Basic EPS to grow faster than revenues
- Innovation promise of 6% of revenues

Notes: <sup>1</sup> 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

# Key performance metrics

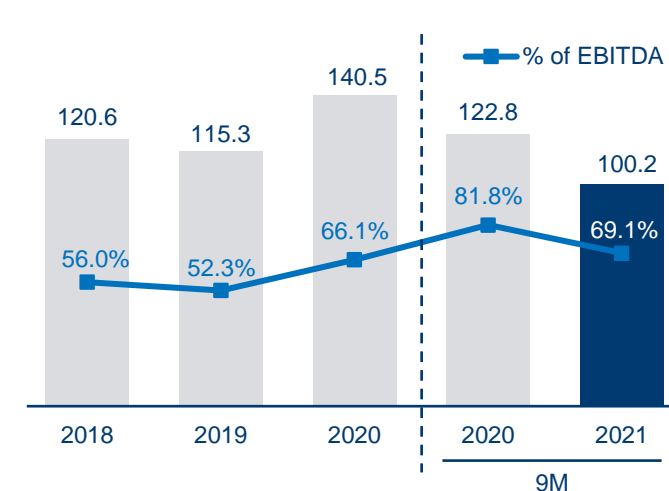
**Earnings per share<sup>1</sup>**  
EUR per share



**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 in Marel Meat and Marel Fish and overall operational improvement and value creation

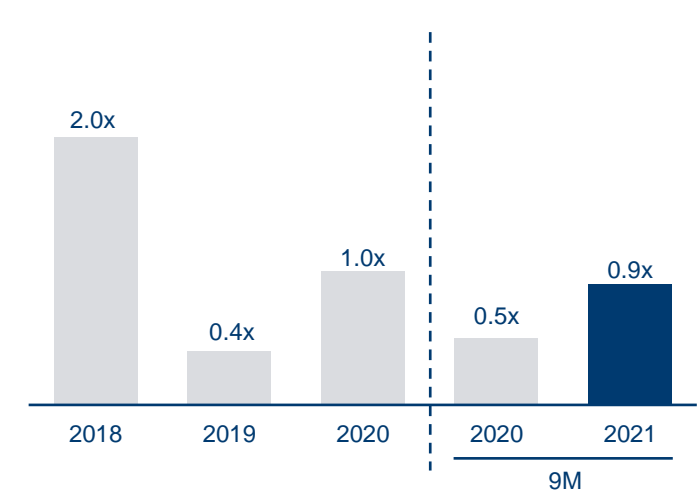
**Free cash flow<sup>2</sup>**  
EUR m



**Strong cash generation**

- Marel's strong cash generation supports continued significant investments in infrastructure, innovation and strategic inventory buildup
- Strong cash flow enables both deleveraging and the undertaking of strategic acquisitions

**Net debt / EBITDA**  
Leverage (x)



**Capacity for further growth**

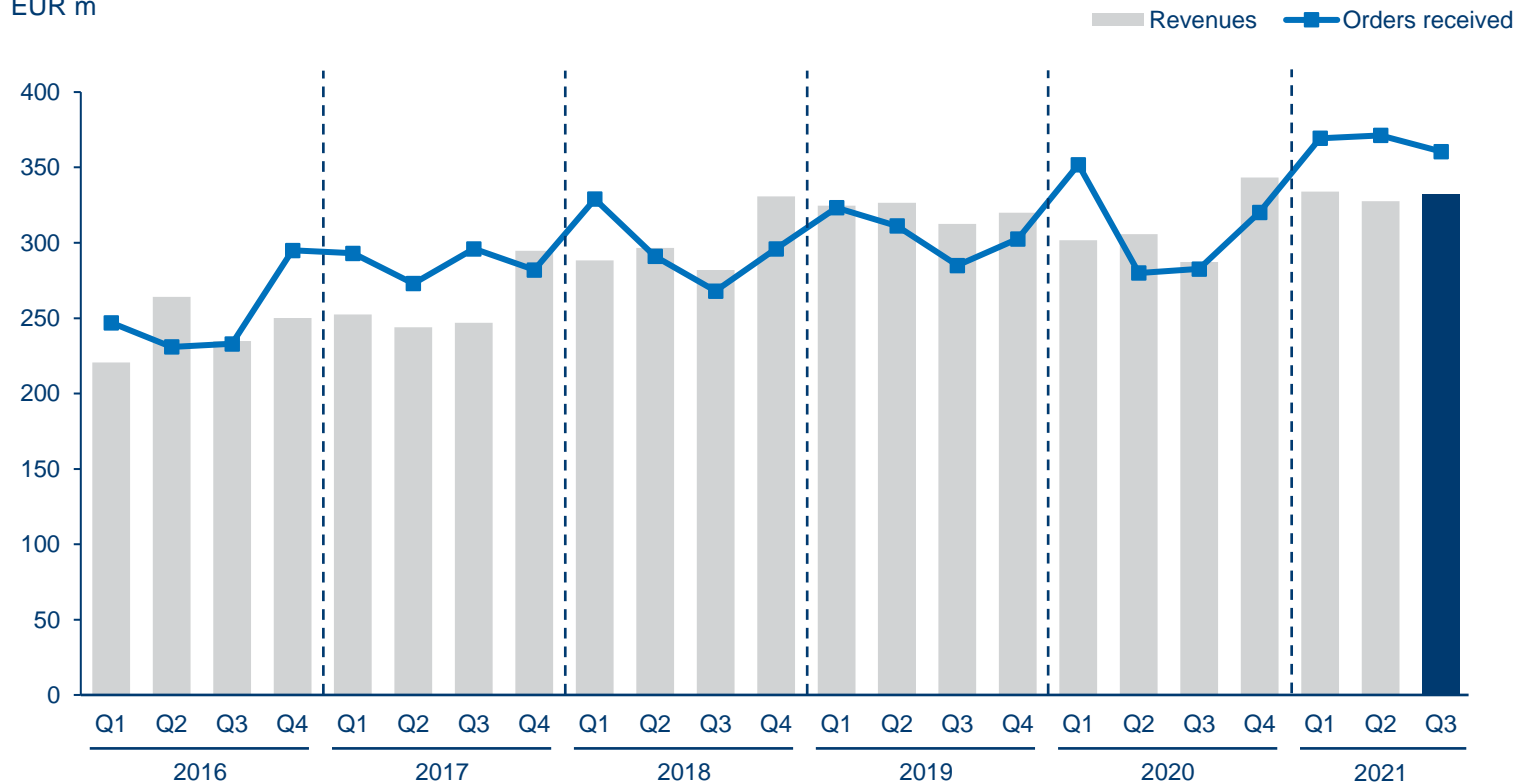
- Leverage well below the targeted capital structure of 2-3x net debt / EBITDA
- Financial strength enables continued investment and will facilitate future strategic moves in line with the company's 2017-2026 growth strategy



# New level of orders received to be turned into revenues in the coming periods

- Orders received in 9M21 up 20% year-on-year, three sequential quarters of strong orders in Q1-Q3
- Healthy mix of revenues deriving from greenfield projects, modernization, standard equipment and maintenance of existing customers' installed base world-wide
- Overall a significant proportion of Marel's revenues derives from the aftermarket, in total around 40% of full year 2020 revenues aiming for 50% of total revenues in 2026 with the addition of growing software revenues to service and spare part revenues
- Order book primarily constitutes greenfield projects, standard equipment and large projects with long lead times
- Strong orders received in Marel Poultry for the last two quarters, supporting stronger volume and improved industry mix in the coming quarters

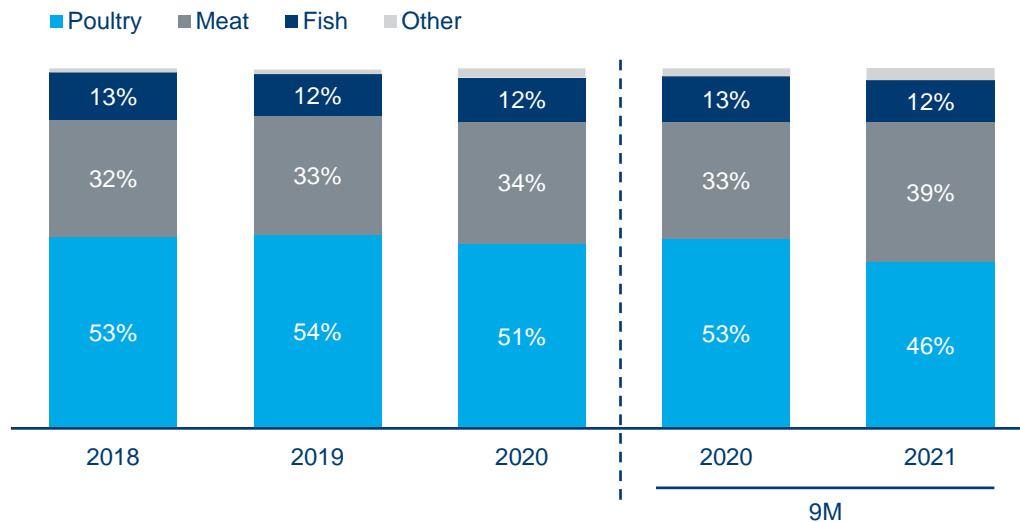
Revenues and order evolution  
EUR m



# Well diversified revenues streams

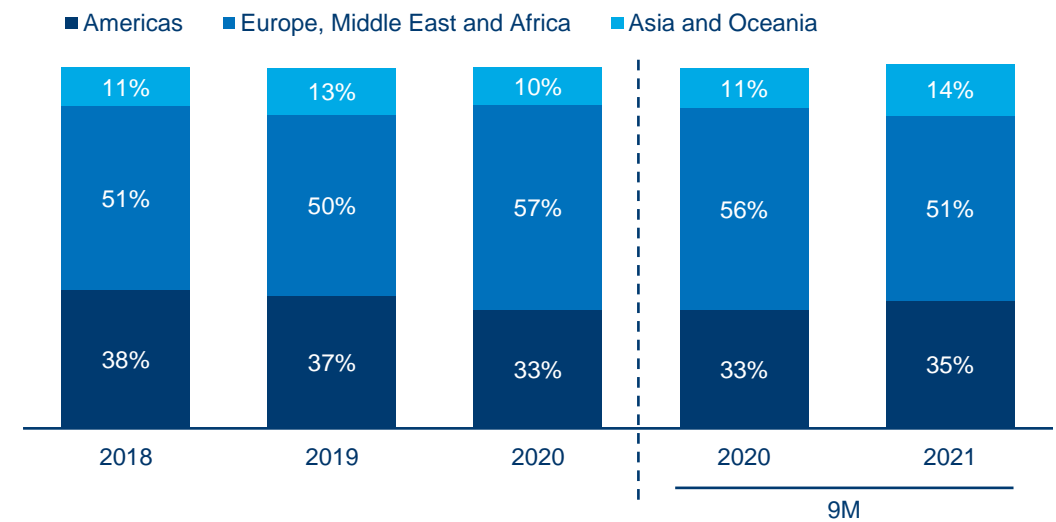
Strong track record of a well diversified revenue structure across both industries and geographies, and 40% of total revenues deriving from recurring services and spare parts revenues

Revenue split by segment



- Lower orders received for Marel Poultry early in 1Q21 had an impact on revenues and industry mix. Strong orders in Q2-Q3 and pipeline will increase volume with foreseen more favorable industry mix, resulting in higher operating profits
- Other revenues constitute revenues from for example acquisition of TREIF within bread and dairy

Revenue split by geography



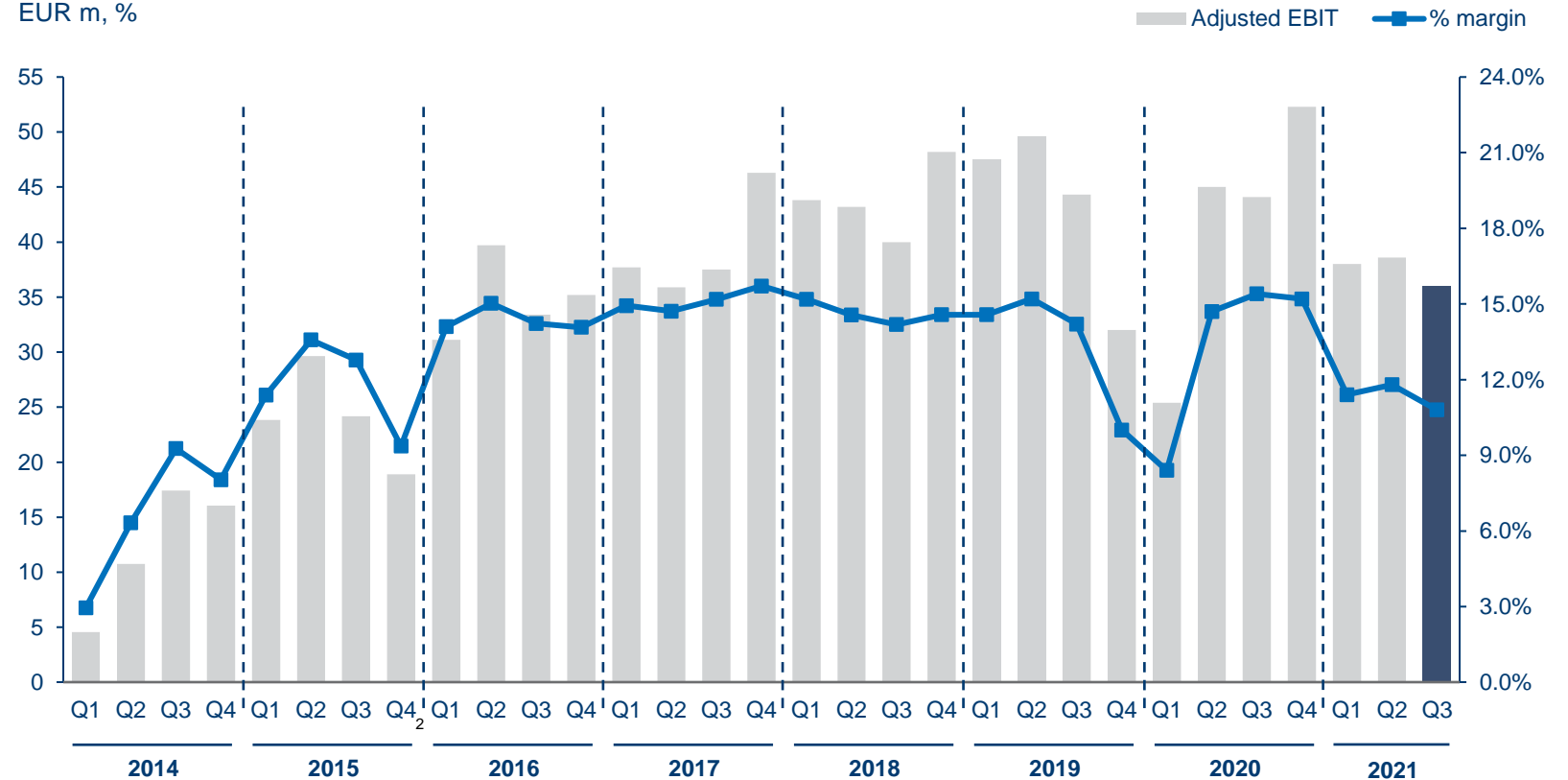
- Revenues from Asia and Oceania steadily accelerating as requirement for automation, digitalization and food safety is increasing in developing markets
- Underlying market strength in North America has driven consistent revenue contribution from the region over the last years



# Investing for growth

- Successful refocusing program in 2014-2015, optimizing product portfolio and reduction of manufacturing sites, subsequently contributed to significant margin uplift to around 15% for 20 consecutive quarters
- 4Q19 and through 2020 impacted by ASF, trade constraints, COVID-19, in addition to supply chain and mobility challenge complexities
- 2021 margins colored by step up in market coverage, innovation and infrastructure initiatives to increase speed and agility for the expected growth curve resulting in higher operating expenses, in addition to margin pressure from supply chain and logistical challenges
  - Full focus on customer delivery, margin pressure continues due to supply chain and logistics costs, prices raised by 4-6% in Q3 on new orders that will partly offset increased costs
  - Strong orders received in the poultry industry for the last two quarters supporting stronger volume and improved industry mix in coming quarters
- Management continues to target medium and long-term EBIT margin expansion for Marel Meat and Marel Fish
- Fluctuation in adjusted EBIT margins quarter on quarter can be expected as timing of big projects and product mix can have an effect
- Marel does not adjust results for non-recurring costs, except for PPA and acquisition related costs.

**Adjusted EBIT<sup>1</sup> evolution**  
EUR m, %



Notes: <sup>1</sup> 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. <sup>2</sup> 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.

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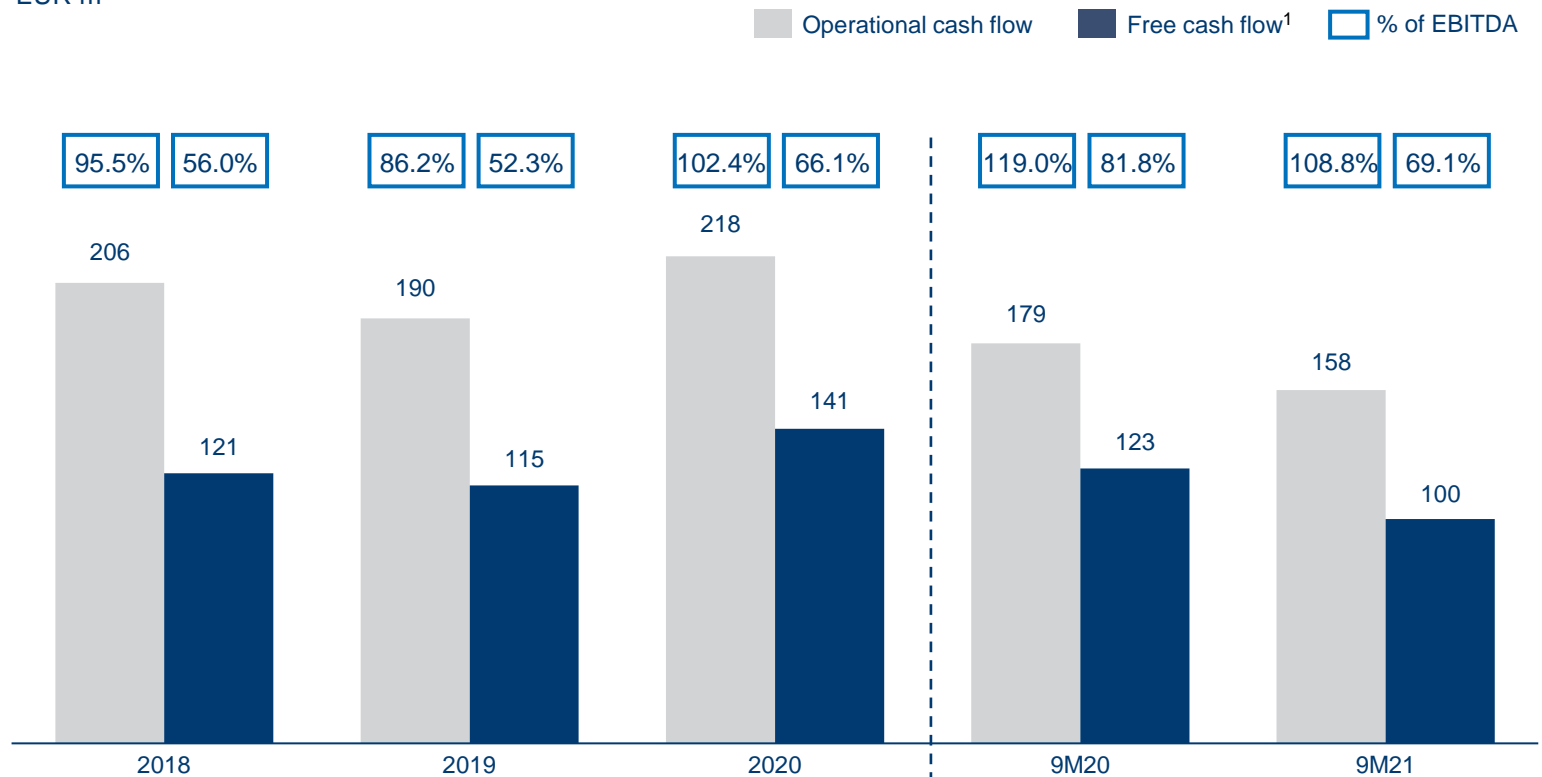
# Focus on cash, net working capital and CAPEX



# Strong cash flow supports continued investment in infrastructure, innovation and growth strategy

- Operating cash flow can fluctuate with the development of orders received and revenue levels, e.g. if orders received grow faster than revenues, working capital improves
- Significant inventory buildup of EUR 51.9m in 9M21, tying up capital and cash flow, to ensure timely delivery of equipment and spare parts to customers, operational cash flow before inventory buildup at healthy level
- Strong cash conversion supports continued investment in infrastructure, innovation and 2017-2026 growth strategy

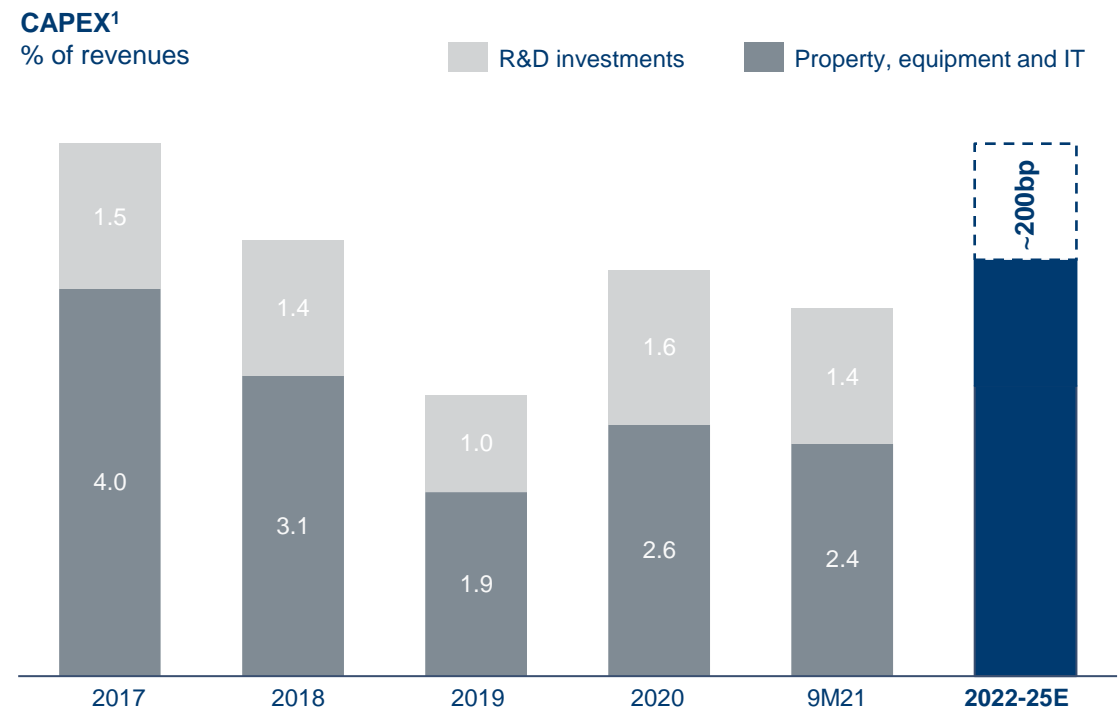
Cash flow  
EUR m



Notes: <sup>1</sup> Free cash flow defined as cash generated from operating activities less taxes paid and net investments in PP&E and intangible assets.

# Stepping up investments to accelerate speed and improve scale

- CAPEX to increase ~200bp on average in the next four years to around 4.5% without R&D investments
- Objective is to best serve customer needs and capture growth opportunities from changing market dynamics
- Ahead of the growth curve, Marel stepped up market coverage and undertook important initiatives to create more agility and flexibility of operations
- Key focus going forward is on automating and digitizing the end-to-end spare parts handling to ensure shorter lead times and adapt to a changing mix in the order book
- Aftermarket now 40% of our revenues and target for YE26 that service, spares and software combined will contribute 50% of total revenues
- Improvement projects to streamline the back-end, as well as automating and digitizing the manufacturing platform, supply chain and aftermarket
- R&D capitalized investments are ~1.0-1.6% of revenues, total R&D effect on P&L is ~6%
- CAPEX investments is one of the drivers for growth and improved gross profit margins in line with our medium term targets



Notes: <sup>1</sup> Capital expenditures net of proceeds from sale of non-current assets and excluding the investments in right of use assets.

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**...to support organic growth**

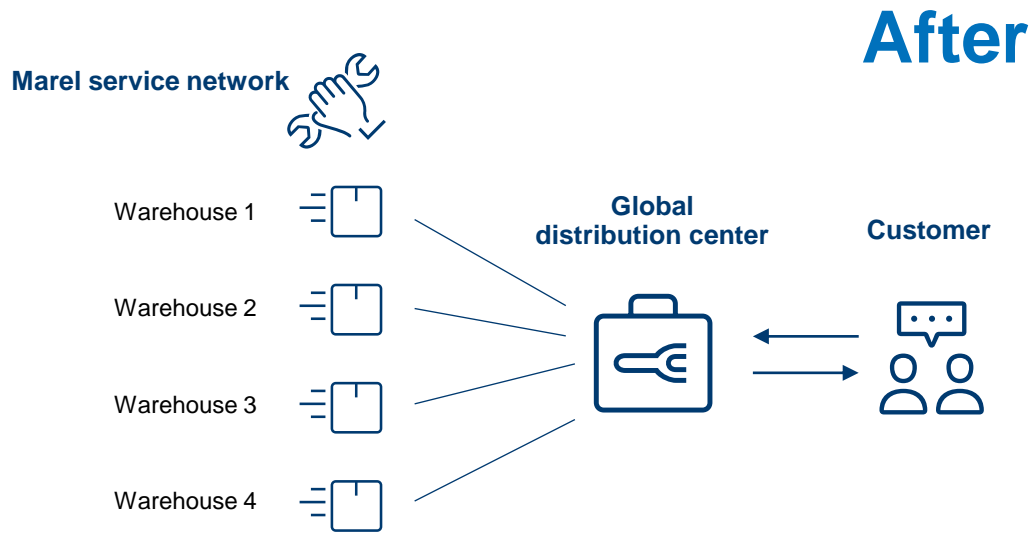
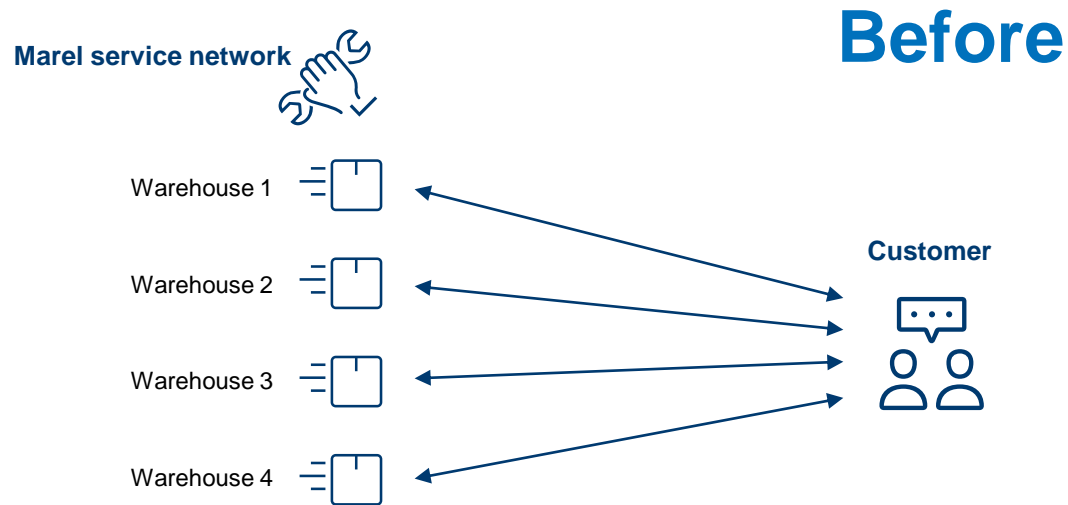


# Launch of new Demo Center in Campinas, Brazil

 Video

## Stepping up market coverage and frontline investments

- Investments in new facilities to support growth in key markets
- In July, Marel opened a new 4,700m<sup>2</sup> office and demo center facility in Campinas, Brazil, Marel's first in Latin America
- New facilities opening in Shanghai, China in November 2021
- Enhanced and accelerated digital approach, implementing online tools to display our solutions, engage with customers, and service them through remote augmented reality (AR)
- Marel live, innovative and interactive online format instead of traditional trade shows
- Virtual Progress Point, with full 3D models of our equipment
- Marel webshop, an easy way to do business with us online and around the clock

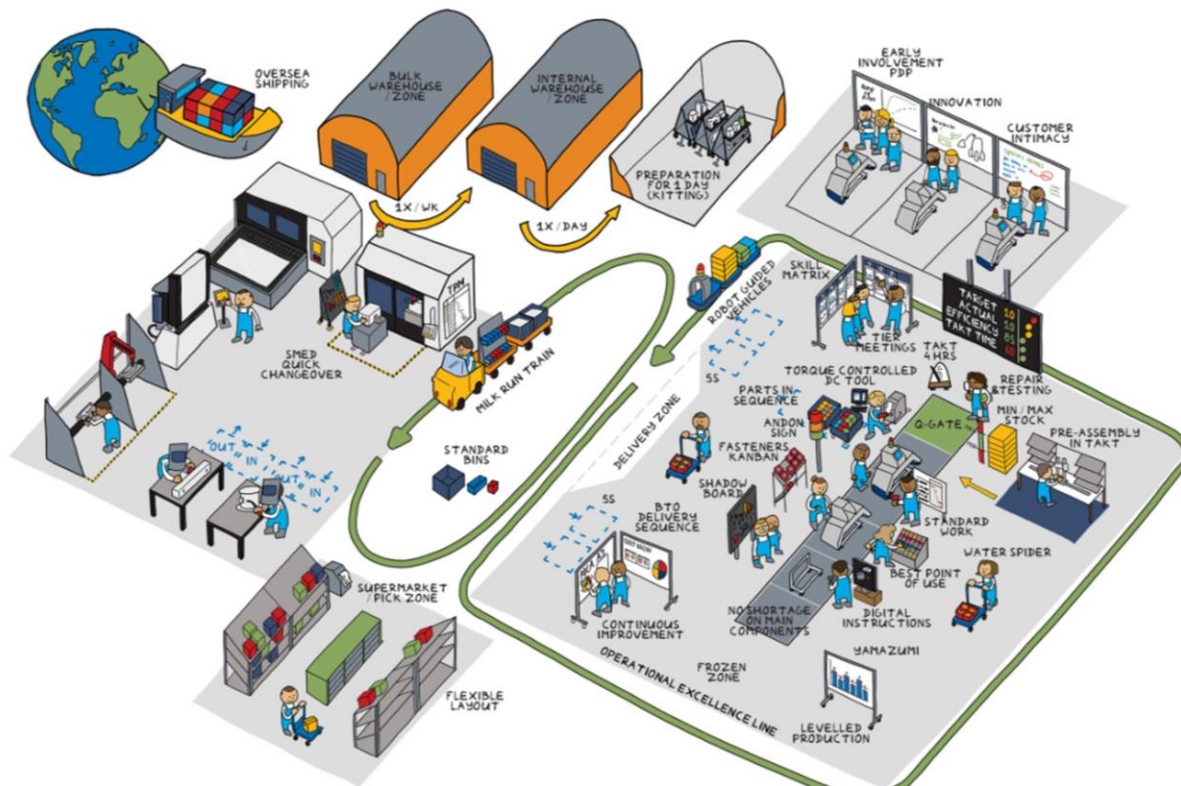


# New global distribution center

To transform end-to-end spare parts handling and shorten lead times to customers

- Marel is a trusted maintenance partner, 3Q21 was a record quarter in spare parts deliveries
- Objective to consolidate spare part operations from multiple warehouses/manufacturing sites to one Global Distribution Center and regional hubs for fast-moving parts
- Next to the main Global Distribution Center we will have regional distribution centers and Local Hubs to be close to our customers where needed
- Will improve the customer experience when ordering spare parts, a single point of contact rather than multiple
- Will enable e-business on spare parts via a special customer portal integration
- One central stocking point to improve transparency of stock and reduce excess stock
- Reducing back office complexity with fully digitalized ordering process and automatic fulfillment of orders
- Reduces transportation costs and overall carbon footprint

# Automating and digitizing the manufacturing platform to accelerate speed and improve scale



- Investments in our manufacturing platform with the aim to automate and digitize our processes
- Providing end-to-end traceability of goods flow and improving shop floor planning
- Automation in warehouse and goods movement through robotic processes
- Creating more agility to meet changes in customer demands
- Consolidation of warehouses for increased inventory oversight and optimization
- Increasing our footprint to be able to deliver on future organic growth
- Improving working conditions for our most important assets, our people



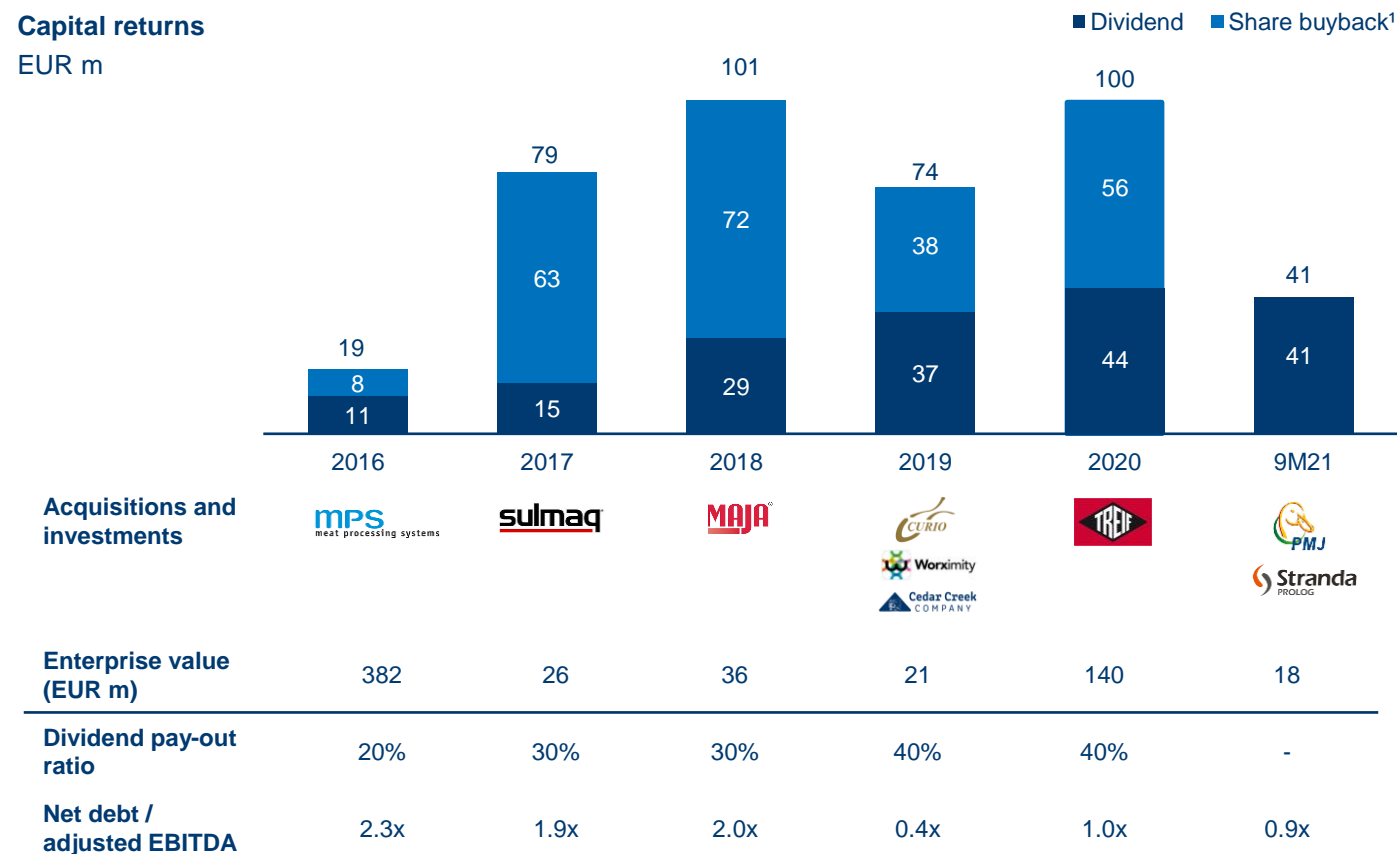
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**...and returning value to  
shareholders**

# Capital returns to shareholders

## Marel has consistently returned capital to shareholders while expanding the business and maintaining leverage levels

- Excess capital used to stimulate growth and value creation
- Dividend or share buyback targeted at 20-40% of net profits
- Since 2016, Marel has acquired 7 companies, whereby MPS was the largest and added primary processing capabilities to the Marel full-line offering in the meat sector
- Acquisitions are made with a strategic aim of becoming a full-line provider to the poultry, meat and fish industries
- With a leverage ratio of 0.9x, Marel has the financial strength to support strategic actions in the ongoing consolidation wave, in line with the company's growth strategy



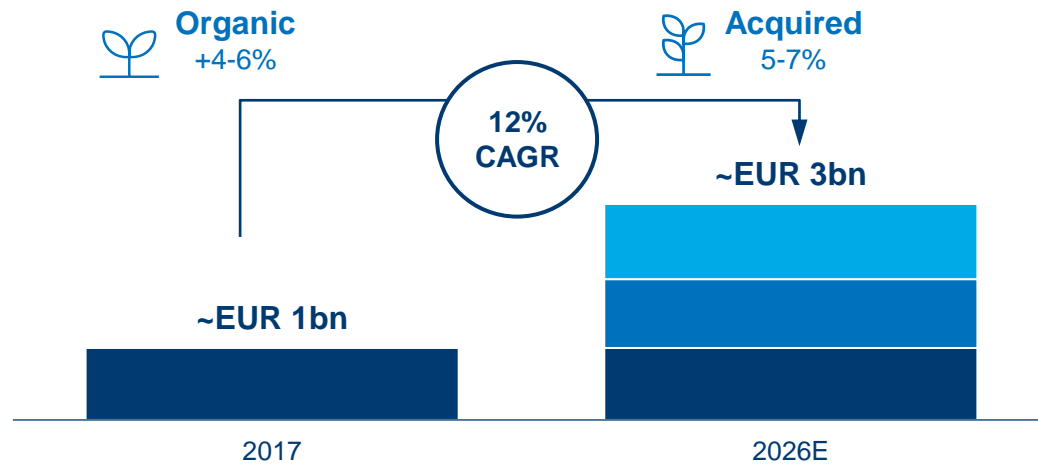
Notes: <sup>1</sup> Share buybacks include purchase of treasury shares and expenditures relating to formal share buyback programs.

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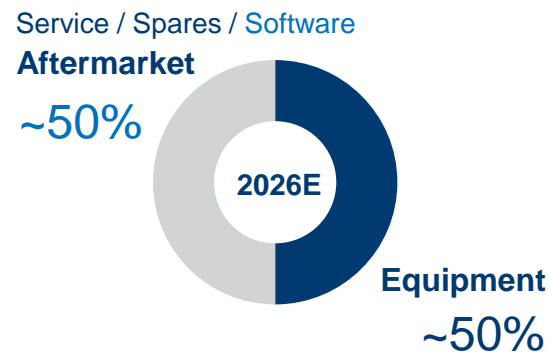
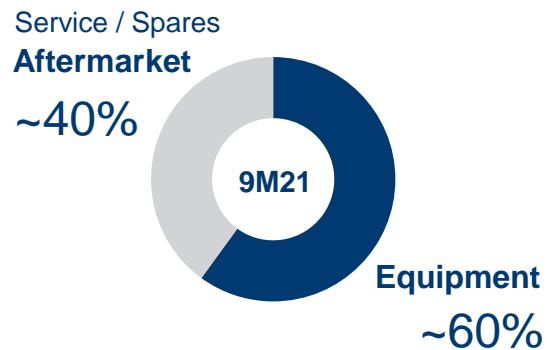
**Fully committed to reach our  
ambitious growth targets**



12% average annual growth target from 2017 - 2026<sup>1</sup>



Business mix split



# Long-term targets YE26

- 12% average annual revenue growth in 2017-2026<sup>1</sup>
- 50% of revenues to come from service, spares and software
- Basic EPS to grow faster than revenues
- Innovation promise of 6% of revenues

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**Arni Oddur Thordarson**  
Chief Executive Officer

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**Linda Jonsdottir**  
Chief Financial Officer

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**Arni Sigurdsson**  
Chief Strategy Officer  
& EVP Strategic Business Units

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# Q&A panel



# Capital Markets Day - the 360° mini-series

Join our series of virtual Capital Markets Day events and explore how Marel delivers growth – globally, digitally, sustainably.

**Global reach 18 Nov**

**Sustainability 9 Dec**

**Digitalization 2 Dec**

**Growth 11 Nov**



Register on [marel.com/cmd360](https://www.marel.com/cmd360)



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**Tinna Molphy**  
Director of Investor Relations

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**Marino Thor Jakobsson**  
Investor Relations

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**Drofn Farestveit**  
Investor Relations

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# Questions

## We're here to help!

 +354 563 8001

 [ir@marel.com](mailto:ir@marel.com)

 [@Marel\\_IR](https://twitter.com/Marel_IR) / \$MAREL

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# Thank you

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# Appendix

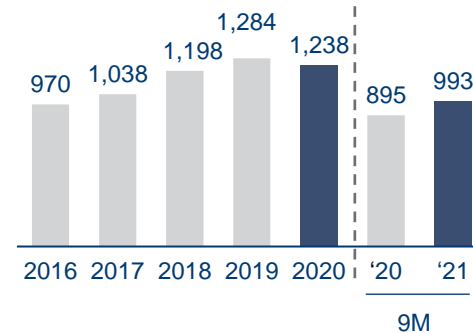


# Financial highlights 9M2021

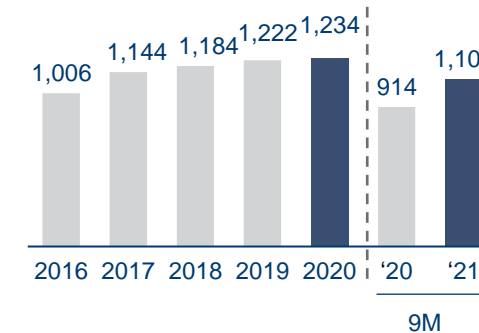
## Strong organic growth in orders received, and robust cash flow generation

- Orders received up 20% year-on-year, three sequential quarters of strong orders in Q1-Q3 2021
- Revenues of EUR 993m, up 11.1% YoY
- Aftermarket, comprising of services, spare parts and service level agreements, represented ~40% from solid recurring aftermarket revenues
- Order book was EUR 528m, up 21.5% YoY, and at similar levels as the record order book in 1Q18, translating to a book-to-bill ratio in 9M21 of 1.11
- Cash flow from operating activities before interest and tax in the first nine months was EUR 157.8m (9M20: 178.7m). Free cash flow 9M21 at EUR 100.2m (9M20: 122.8m)
- Leverage was 0.9x at the end of 3Q21 well below the targeted capital structure of 2-3x

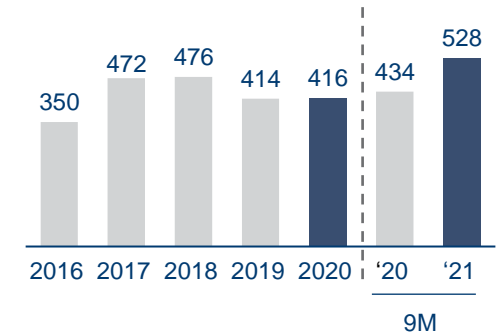
**Revenues**  
EUR m



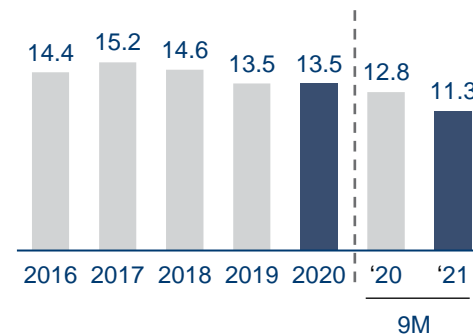
**Orders received**  
EUR m



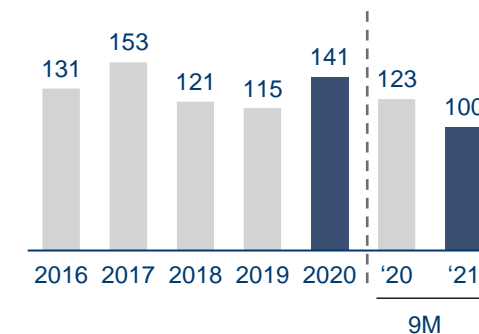
**Order book<sup>3</sup>**  
EUR m



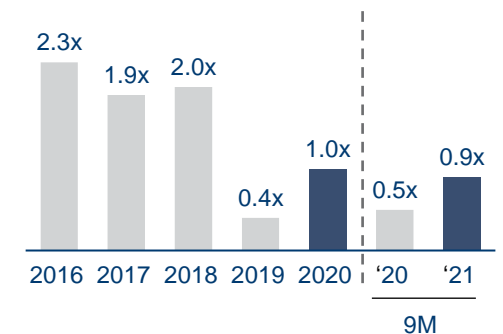
**EBIT<sup>1</sup> margin**  
%



**Free cash flow<sup>2</sup>**  
EUR m



**Leverage**  
Net debt/EBITDA



Notes: <sup>1</sup> Operating income adjusted for PPA related costs, including depreciation and amortization, and beginning in Q4 2020 adjusted for acquisition related costs.

<sup>2</sup> Free cash flow defined as cash generated from operating activities less taxes paid and net investments in PP&E and intangible assets.

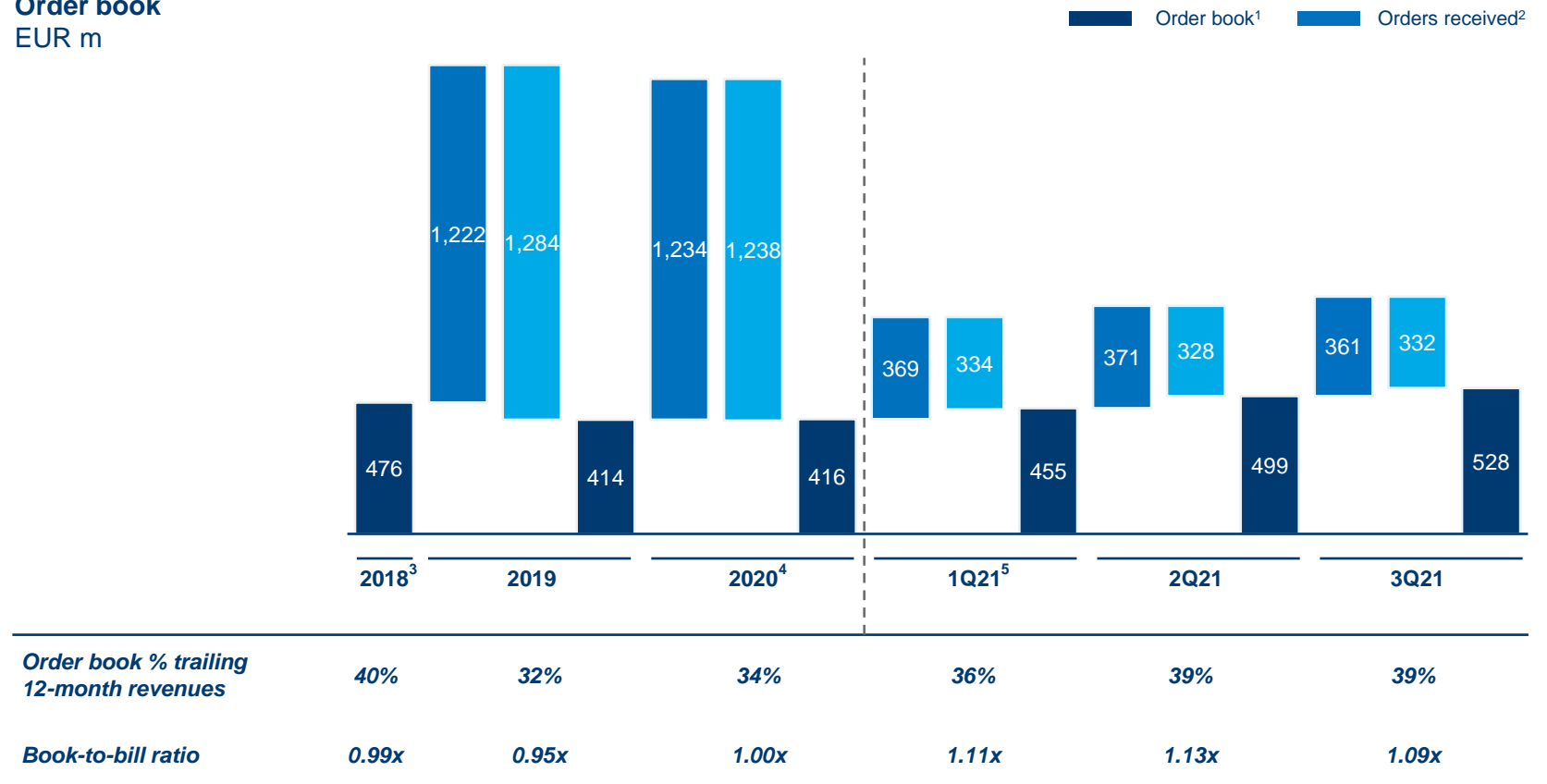
<sup>3</sup> Including acquired order book of Curio and PMJ of EUR 4.2m in 1Q21.

# Strong order book

## Order book remains healthy with very strong orders received at new record levels

- A strong order book of EUR 528m, representing 39% of 12-month trailing revenues
- Order book remains healthy with strong orders received
- Order book consists of orders that have been signed and financially secured with down payments/letters of credit
- SLA contracts including spare parts are included in the order book
- Low customer concentration with no customer accounting for more than 5% of the total revenues
- Strong orders received in the poultry industry for the last two quarters supporting stronger volume and improved industry mix

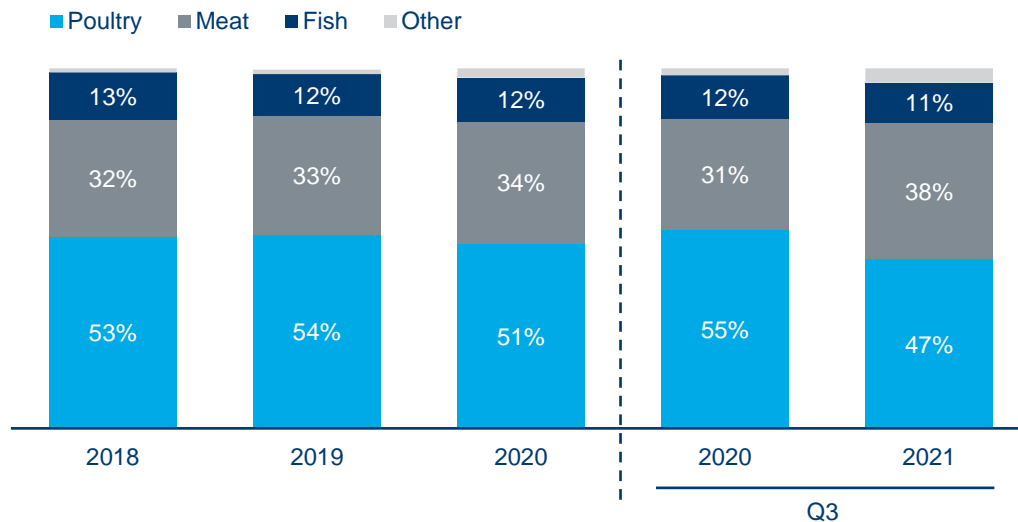
## Order book EUR m



# Well diversified revenues streams

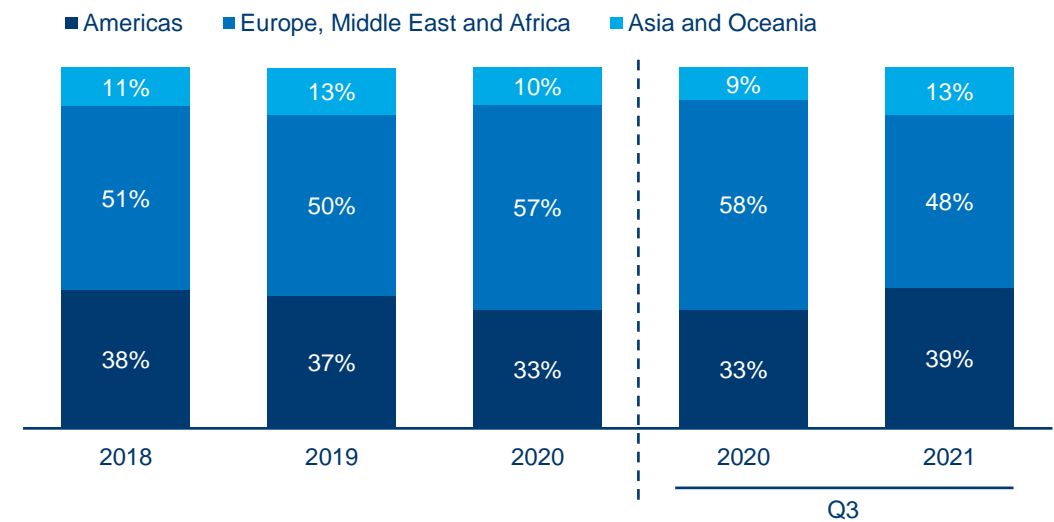
Strong track record of a well diversified revenue structure across both industries and geographies, and 40% of total revenues deriving from recurring services and spare parts revenues

Revenue split by segment



- Lower orders received for Marel Poultry early in 1Q21 had an impact on revenues and industry mix. Strong orders in Q2 - Q3 and pipeline will increase volume with foreseen more favorable industry mix, resulting in higher operating profits
- Other revenues constitute revenues from for example acquisition of TREIF within bread and dairy

Revenue split by geography



- Revenues from Asia and Oceania steadily accelerating as requirement for automation, digitalization and food safety is increasing in developing markets
- Underlying market strength in North America has driven consistent revenue contribution from the region over the last years

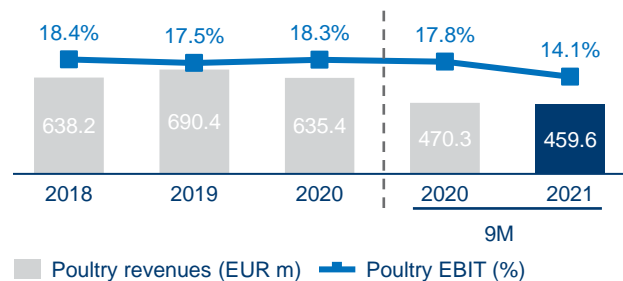


# Industry performance

Global reach and focus on full-line offering across the poultry, meat and fish industries counterbalance fluctuations in customer demand

## Poultry

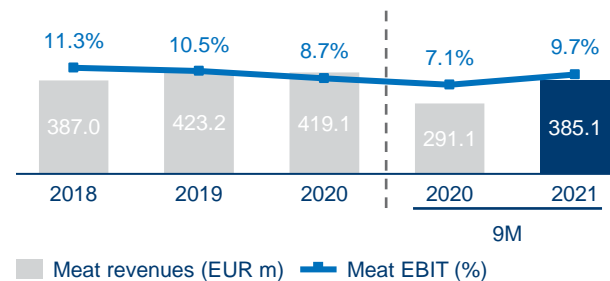
Revenues and EBIT<sup>1</sup> margin  
EUR m, %



- Full-line offering based on standardized and modularized building blocks. With the most complete product range and one of the largest installed base worldwide, delivering the highest portion of service revenues. Focus on roll-out of innovative products and market penetration through cross-selling of secondary and further processing solutions.
- Orders received for Marel Poultry were strong in 2Q21 and 3Q21, supporting stronger volume going forward with a good product mix. Pipeline remains strong.
- On the back of a stronger order book and pipeline, volume will continue to increase with foreseen more favorable mix, resulting in higher operating profits.

## Meat

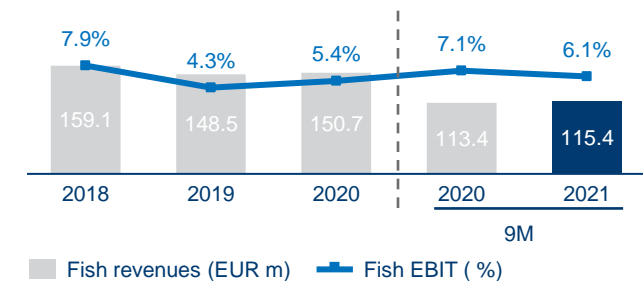
Revenues and EBIT<sup>1</sup> margin  
EUR m, %



- Full-line offering following strategic bolt-on acquisitions. Focus on strong product development, increased standardization and modularization, as well as market penetration and further cross- and upselling
- Orders received in 3Q21 for Marel Meat were softer than in 1Q21 and 2Q21. Pipeline shows good opportunities in all regions and expectation of higher conversion of pipeline into orders in coming quarters.
- Management continues to target medium and long-term EBIT<sup>1</sup> margin expansion for Marel Meat, and management has accelerated market coverage and operational improvement initiatives.

## Fish

Revenues and EBIT<sup>1</sup> margin  
EUR m, %

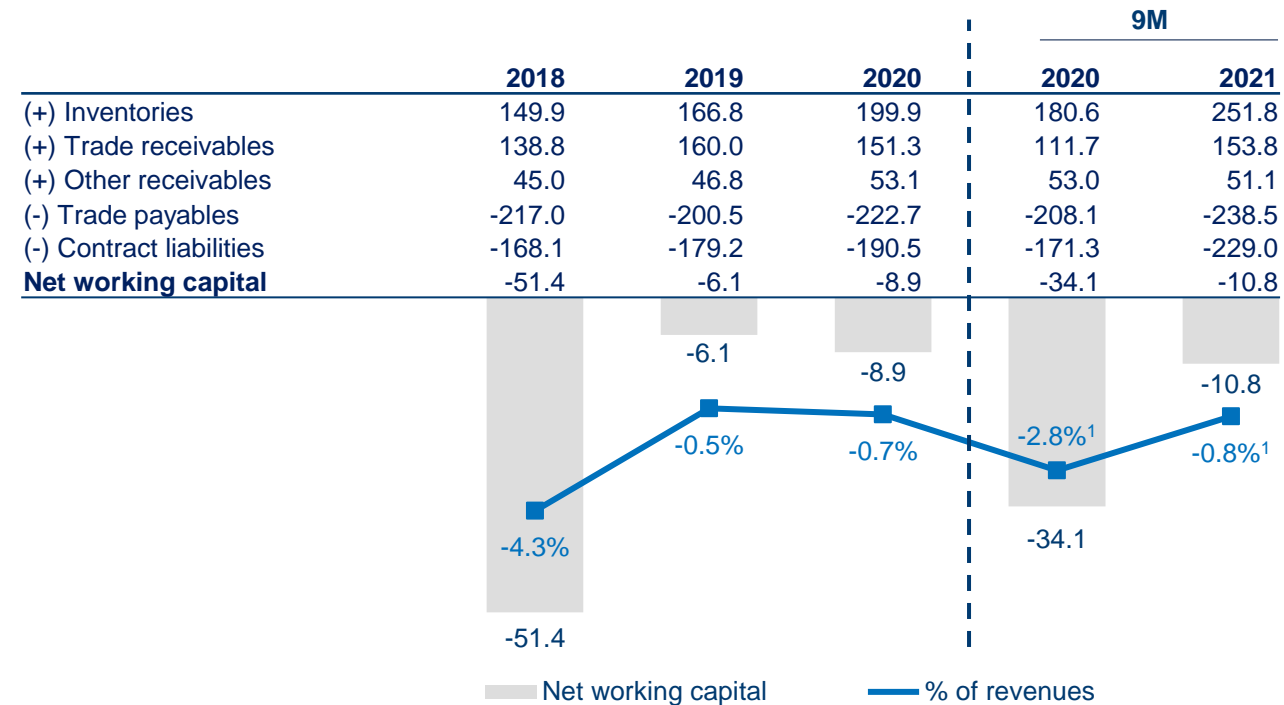


- Full-line offering to the wild whitefish industry since 2020, and objective to reach full-line offering across farmed and wild whitefish and salmon through continued focus on innovation and M&A.
- Orders received in 3Q21 for Marel Fish were solid. Strong pipeline for both small and medium-sized projects. Q4 started on a strong note in the fish industry with key large projects secured.
- Management continues to target medium and long-term EBIT<sup>1</sup> margin expansion for Marel Fish, higher volume is needed to deliver sufficient margin improvement.

# Net working capital

- Operating cash flow can fluctuate with the development of orders received and revenue levels, e.g. if orders received grow faster than revenues, working capital improves
- Significant inventory buildup of EUR 51.9m in 9M21, tying up capital and cash flow, to ensure timely delivery of equipment and spare parts to customers, operational cash flow before inventory buildup at healthy level

## Net working capital EUR m



Notes: <sup>1</sup> September net working capital as a % of trailing twelve months revenues

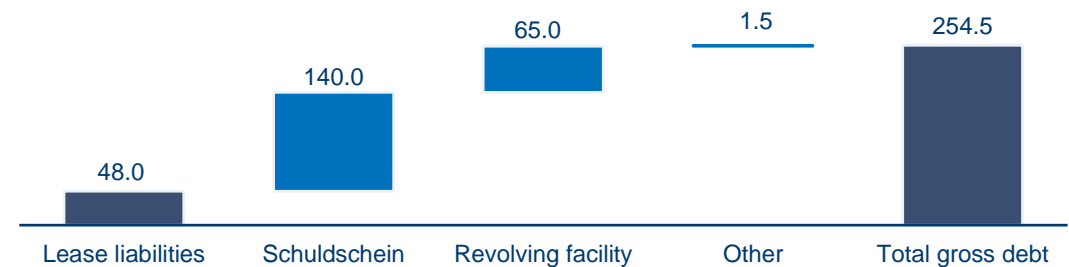
# Strong capital structure and sustainability linked financing

- Marel targets a leverage ratio of 2-3x net debt / EBITDA
- With a leverage ratio of 0.9x and committed liquidity of EUR 674.3m<sup>2</sup> at the end of Sept 2021, Marel has the financial strength to support strategic actions in the ongoing consolidation wave, in the line with the company's growth strategy
- The Group has a EUR 700m multi-currency syndicated credit facility agreement with seven international banks
  - EUR 608.1m headroom to support strategic opportunities
  - As of 30 Sep 2021, Marel is using EUR 91.9m of the facility as drawn debt and issued guarantees
- The facility has a sustainability incentive structure with KPI's in line with Marel sustainability objective
- Current Margin 80 bps + EURIBOR and can vary in line with leverage ratio
- Bank syndicate of ABN Amro-ODDO, BNP Paribas, Danske Bank, HSBC, ING, Rabobank, and Unicredit

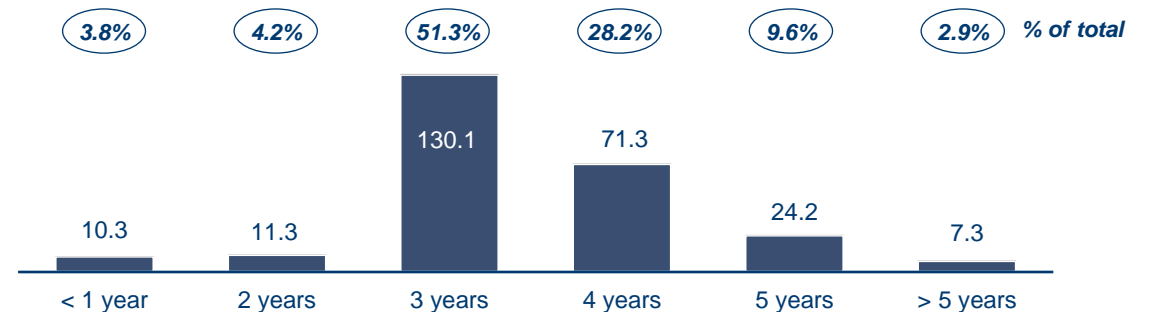
## Schuldschein promissory note

- 2019 Marel entered the Schuldschein market with a EUR 140m note with a mixture of floating and fixed tranches in maturities of 5 and 7 years
- Vast majority placed in the 5-year tranche priced at 110bp over EURIBOR and the remainder placed in the 7-year tranche priced at 130bp over EURIBOR
- Joint bookrunners were ABN AMRO, Bayerische Landesbank and UniCredit

**Total borrowings and liabilities as of 30.09.2021<sup>1</sup>**  
EUR m



**Borrowing maturity schedule as of 30.09.2021<sup>1</sup>**  
EUR m



Notes: <sup>1</sup> Excluding EUR 1.7m capitalized finance charges. <sup>2</sup> Committed liquidity includes cash on hand and available headroom on credit facility.





360°