



Q2 2015 Presentation

July 30, 2015

Arni Oddur Thordarson, CEO

Organic growth and strong operational performance

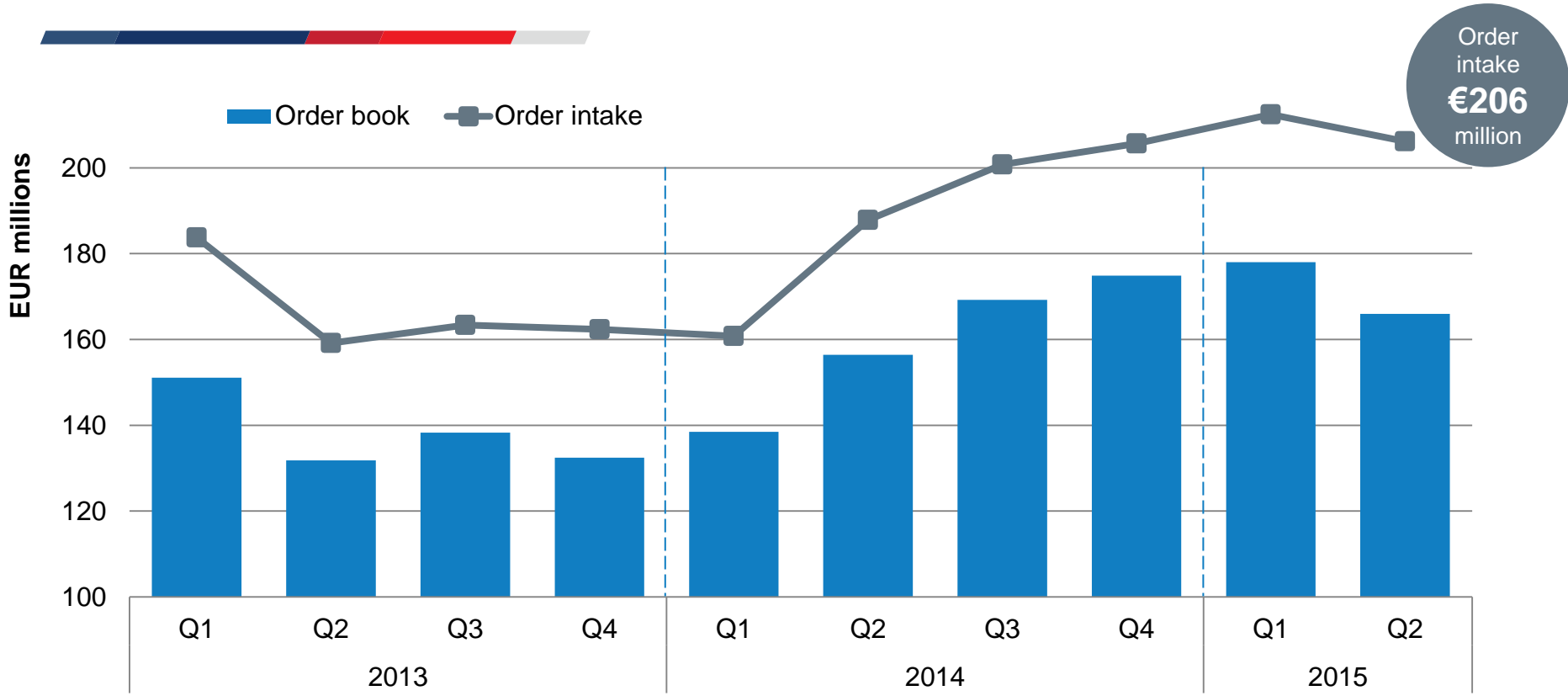


- Record revenue of €218 million compared to €170 million in Q2 2014
 - Good geographical and product mix
- Order intake of €206 million
- Adjusted EBIT €29.7 million or 13.6%
- Adjusted EBITDA €37.2 million or 17.1%
 - Free Cash Flow €13.9 million
- Net result €19.5 million

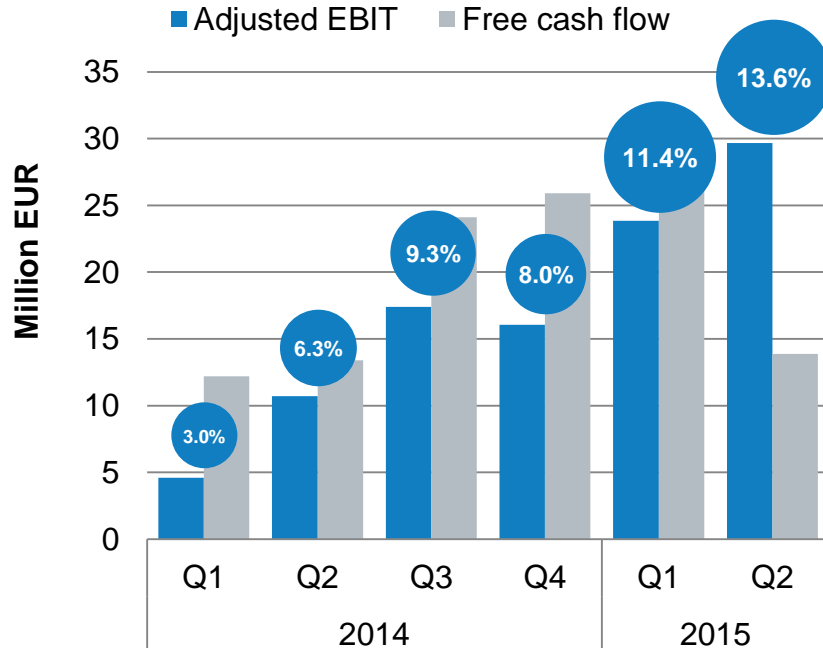


* Refocusing costs in Q2 2015 amount to €1.1 million

Order intake at a good level in Q2 2015



Operational results improving with strong cash flow



- Revenue growth of 29% from last year
- Adjusted EBIT of €29.7 million
- Order book at end of Q2 2015 is €166 million compared to €156 million at the same time one year ago
- Management guidance for 2015 remains organic revenue growth with solid increase in operational and net profit
- At the beginning of 2014, management announced the aim to reach EBIT of over €100 million in 2017

EBITDA improvement and strong cash flow has driven Net Debt/adjusted EBITDA down to 1.2

Business overview for the first half of 2015



Other segments such as vegetable and cheese account for 2% of revenue



Poultry

Strong first half of the year with good volume, profitability and strong order intake

Good mix of Greenfields, modernization, and maintenance business around the globe

54% of revenue
17.1% adj. EBIT



Fish

Very good first half of the year for Marel's fish segment with good volume, profitability and strong order intake

Conditions in salmon and white fish segments are favorable

16% of revenue
9.9% adj. EBIT



Meat

Significant improvement in revenue and profitability compared with previous years

Market conditions in Q2 are softer resulting in lower order intake

15% of revenue
9.4% adj. EBIT



Further Processing

Streamlining of U.S. activities continued with the ongoing transfer of activities from Des Moines to Gainesville

Innovation and sales efforts will be stepped up in order to increase profitability going forward

13% of revenue
-0.4% adj. EBIT

Linda Jonsdottir, CFO

Business results



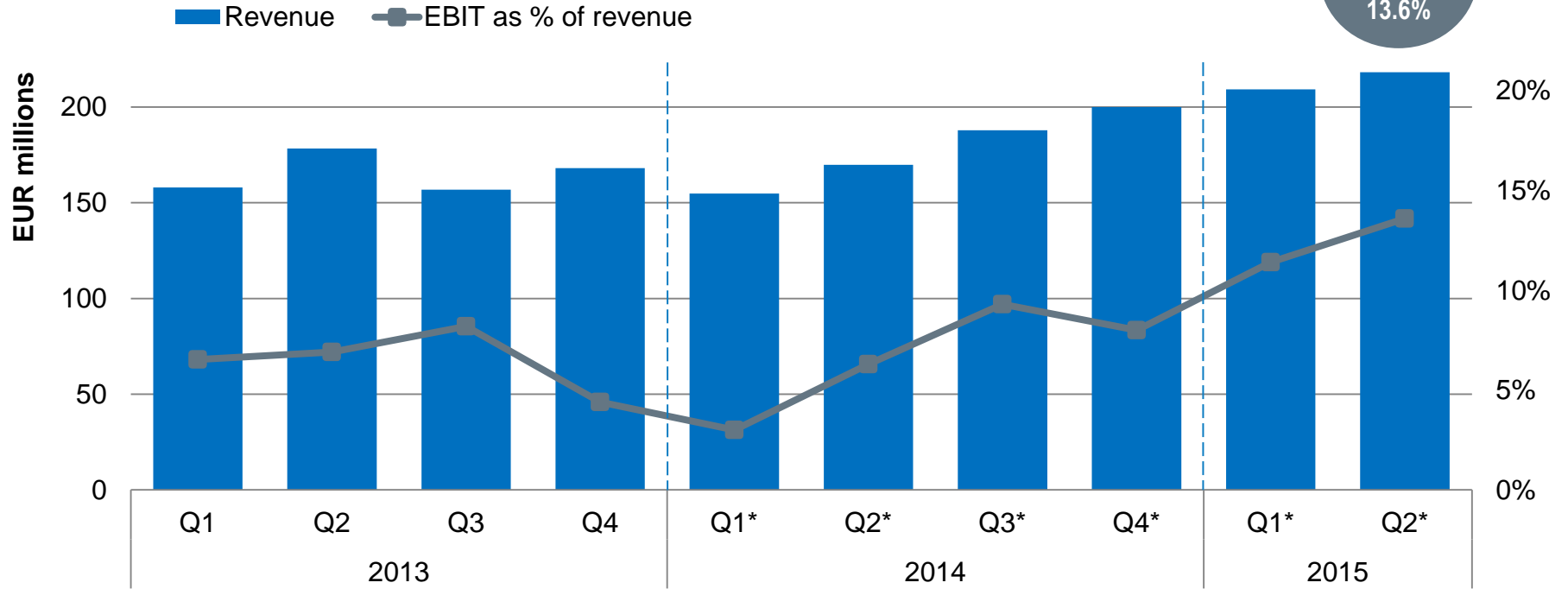
EUR thousands

	Q2 2015	Q2 2014	Change in %
Revenue	218,272	169,848	28.5
Gross profit before refocusing cost	84,264	60,344	39.6
<i>as a % of revenue</i>	38.6	35.5	
Before refocusing costs			
Result from operations (adjusted EBIT)	29,659	10,741	176.1
<i>as a % of revenue</i>	13.6	6.3	
Adjusted EBITDA	37,219	18,011	106.6
<i>as a % of revenue</i>	17.1	10.6	
After refocusing costs			
Result from operations (EBIT)	28,537	3,553	703.2
<i>as a % of revenue</i>	13.1	2.1	
EBITDA	38,135	13,022	192.9
<i>as a % of revenue</i>	17.5	7.7	
Net result	19,516	766	2,447.7
Orders received (including service revenues)	206,168	187,826	9.8
Order book	165,938	156,427	6.1

Firm steps taken to improve profitability

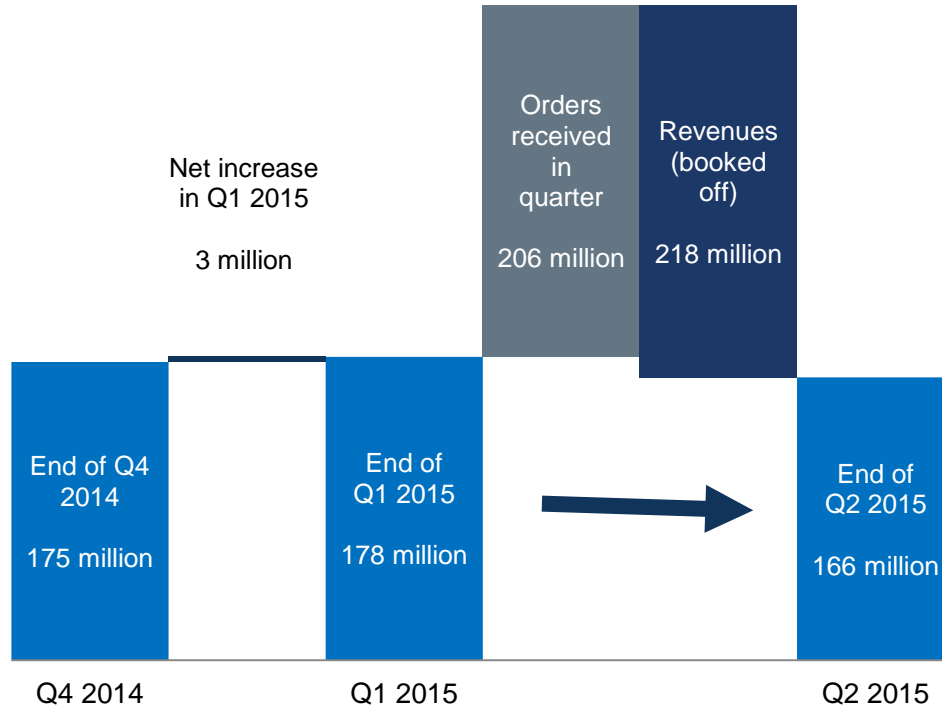


Adj.
EBIT
13.6%



* Results are normalized

Record revenue and good order intake



- Marel has discontinued product families and operations in Singapore, Spain and the U.K. that were running on low gross margin and negative EBIT
- On annual basis, they accounted for close to €30 million in orders received and revenue
- Order book at the end of Q2 reflects continued operations and refocused product portfolio

Condensed consolidated balance sheet



ASSETS (EUR thousands)

Non-current assets

	30/06 2015	31/12 2014
Property, plant and equipment	86,484	96,139
Goodwill	389,671	387,103
Other intangible assets	107,777	114,916
Receivables	17	94
Deferred income tax assets	9,045	7,873
	<u>592,994</u>	<u>606,125</u>

Current assets

Inventories	91,689	88,450
Production contracts	23,318	29,123
Trade receivables	93,280	77,125
Assets held for sale	4,944	2,500
Other receivables and prepayments	31,631	23,551
Cash and cash equivalents	87,457	24,566
	<u>332,319</u>	<u>245,315</u>

Total assets

	<u><u>925,313</u></u>	<u><u>851,440</u></u>
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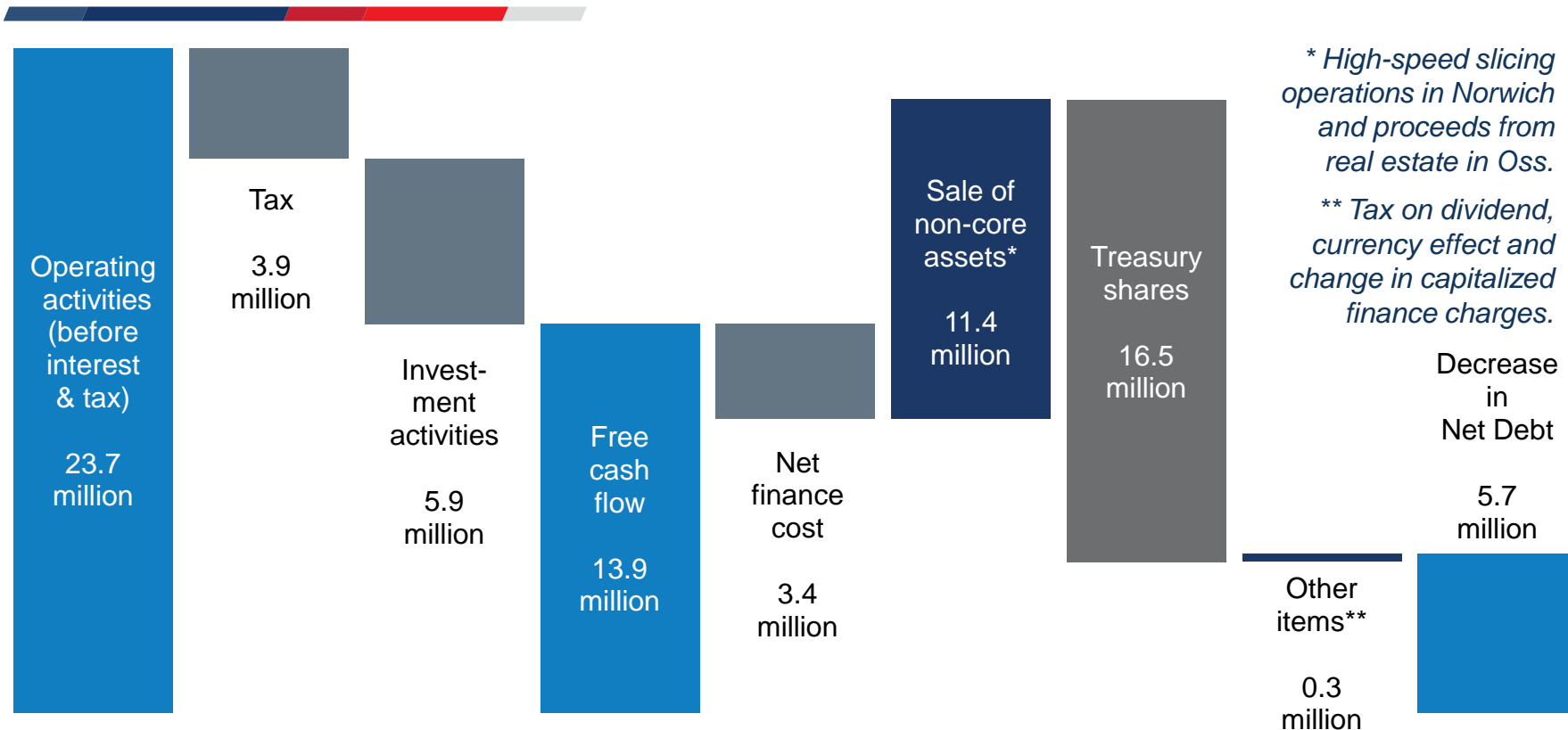
Condensed consolidated balance sheet (continued)



LIABILITIES AND EQUITY *(EUR thousands)*

	30/06 2015	31/12 2014
Equity	436,898	427,498
LIABILITIES		
Non-current liabilities		
Borrowings	224,841	180,278
Deferred income tax liabilities	13,854	11,308
Provisions	10,675	7,292
Derivative financial instruments	4,463	5,399
	<u>253,833</u>	<u>204,277</u>
Current liabilities		
Production contracts.....	72,577	64,958
Trade and other payables	128,592	122,479
Current income tax liabilities	5,010	4,185
Borrowings	18,601	18,635
Provisions	9,802	9,408
	<u>234,582</u>	<u>219,665</u>
Total liabilities	488,415	423,942
Total equity and liabilities	<u>925,313</u>	<u>851,440</u>

Q2 2015 cash flow composition and change in net debt

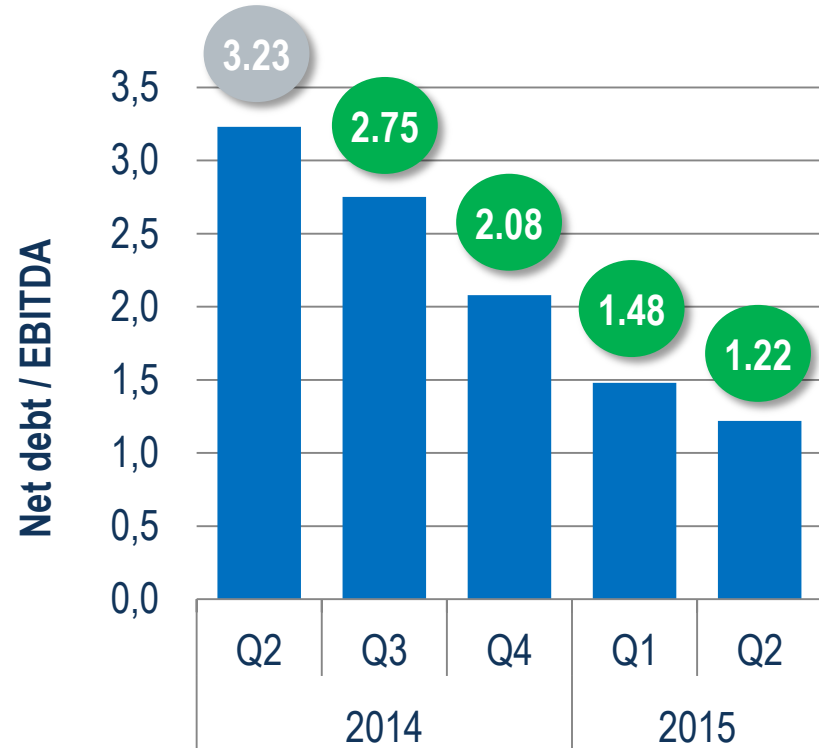


* High-speed slicing operations in Norwich and proceeds from real estate in Oss.

** Tax on dividend, currency effect and change in capitalized finance charges.

Ample room for stimulating further growth

- Net debt / EBITDA ratio currently stronger than the target of 2-3 x EBITDA
- Marel is stimulating further revenue and operational profit growth by:
 - Streamlining the business
 - Continuous innovation
 - Investing in the business
- In Q2 Marel acquired 15 million treasury shares for the total amount of 18.2 million on the basis of authorization to purchase up to 25 million own shares to be used as a payment for potential future acquisitions.
- After the purchase and exercise of stock options during the quarter with net cash outflow of 16.5 million the company holds 21.7 million treasury shares.

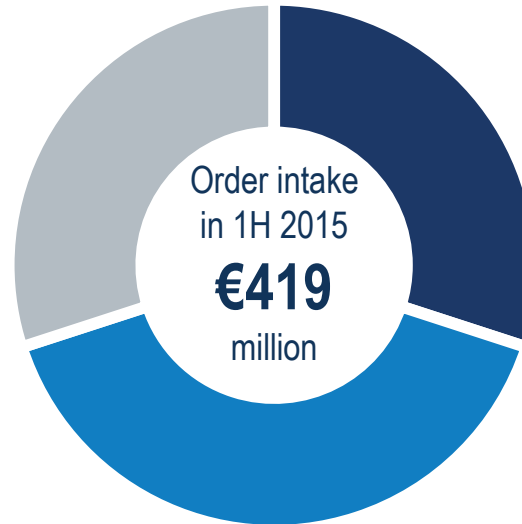


Arni Oddur Thordarson, CEO

Good mix of Greenfields, Modernization, and Maintenance

Modernization and standard equipment ►

- Investment in expansion and modernization projects picking up, especially in the Americas and in Europe



◀ Greenfields

- Small and medium sized Greenfield projects in all segments and large-scale projects in poultry and fish in Q2 2015

Maintenance ▲

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

Manufacturing and innovation footprint streamlined



Marel's new innovation center in Iowa



- Modern 3,500 m² facility located close to the city center of Des Moines
- Employs 90 people in sales, service and innovation

Maintaining competitive advantage in the sausage market



- The innovation team in Des Moines will be developing global products for the sausage and hot dog market
- The team will also be developing global products for meat, fish and poultry industries relating to skinning and trimming technology
- Innovation center will support training and customers demonstrations

Simpler, Smarter, Faster: 2014-2015

Full potential ▶

Product portfolio optimized



At the customer, for the customer

Marel is stimulating further revenue growth and solid operational improvements:

- Streamlining the business
- Continuous innovation
- Investing in the business

Manufacturing footprint optimized

2014

2015 year-to-date

2016

2017

Revenue growth 7.7%
Adj. EBIT €48.8 m
Free cash flow €75.5m

Revenue €428m
Adj. EBIT €53.5m
Free cash flow €44.9m

Organic growth
Solid operational improvement
Good cash conversion

Organic growth
> €100 million EBIT
Good cash conversion

Cash-out cost to date €14 million compared to estimated total cash-out cost of €25 million throughout the program

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Thank you
Takk fyrir
Dank u wel
Mange tak