



Capital Markets Day  
Arion Bank

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# At the customer, for the customer while refocusing

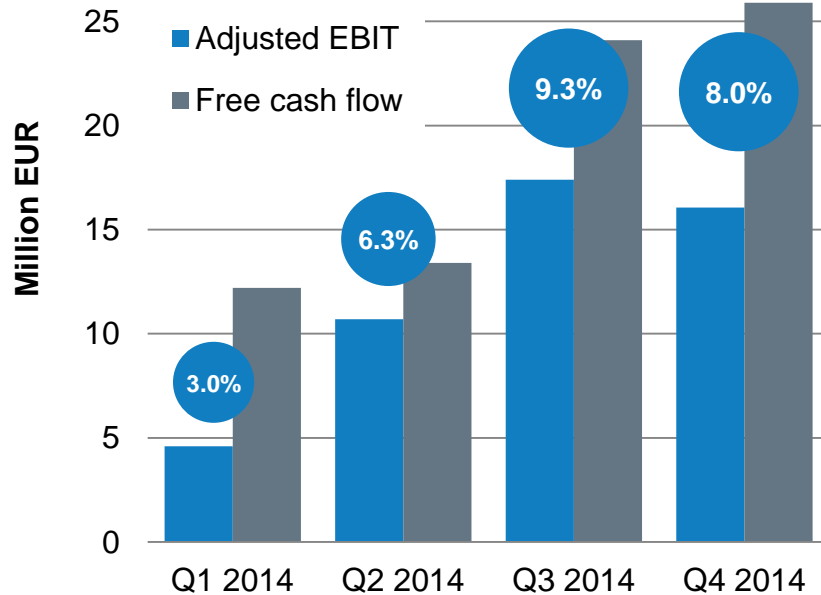


- Revenue 2014 EUR 713 million compared to EUR 662 million in 2013
  - 7.7% revenue growth
- Order book starts the year at EUR175 million compared to EUR132 million in 2014
  - Good geographical mix in order intake
- Net result of EUR 11.7 million and free cash flow of EUR 75.5 million



\* Refocusing costs in 2014 amount to €19.6 million

# Operational results improving with strong cash flow



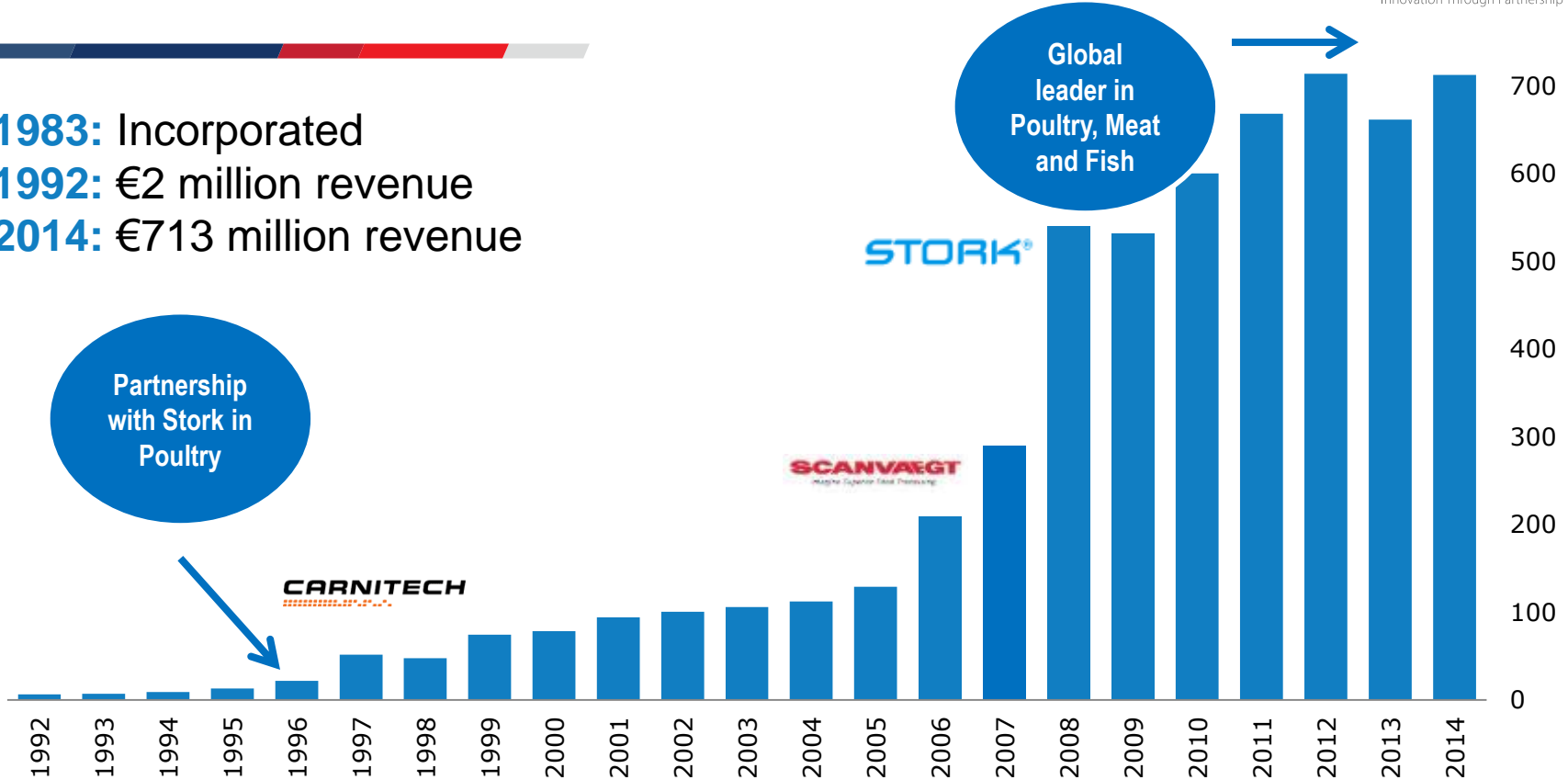
- Full year adjusted EBIT of EUR 48.8 million (6.8%)
- Management guidance for 2014 was organic growth with adjusted EBIT of EUR 40-50 million

EBITDA improvement and strong cash flow has driven Net Debt/adj. EBITDA down to 2.08

# History of organic growth and strategic acquisition



**1983:** Incorporated  
**1992:** €2 million revenue  
**2014:** €713 million revenue



# Leading Global Provider



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



## Poultry

**53% of revenue**  
**12.0% adj. EBIT**

**Global Leader**



## Fish

**16% of revenue**  
**5.7% adj. EBIT**

**Global Leader**



## Meat

**17% of revenue**  
**-2.1% adj. EBIT**

**Major Global provider**



## Further Processing

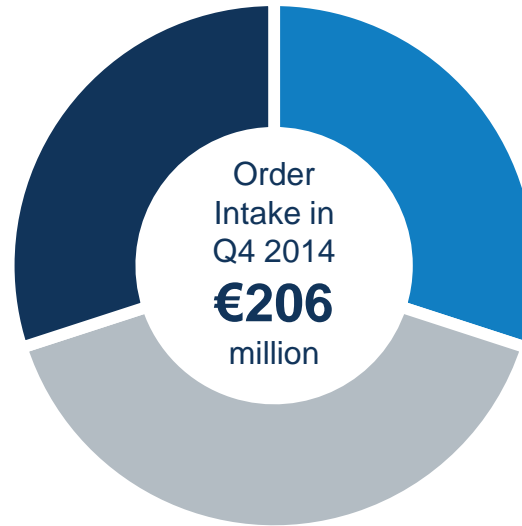
**13% of revenue**  
**-0.2% adj. EBIT**

**Global Leader**

# Good mix of Greenfields, Modernization, and Maintenance

## Modernization and standard equipment ►

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



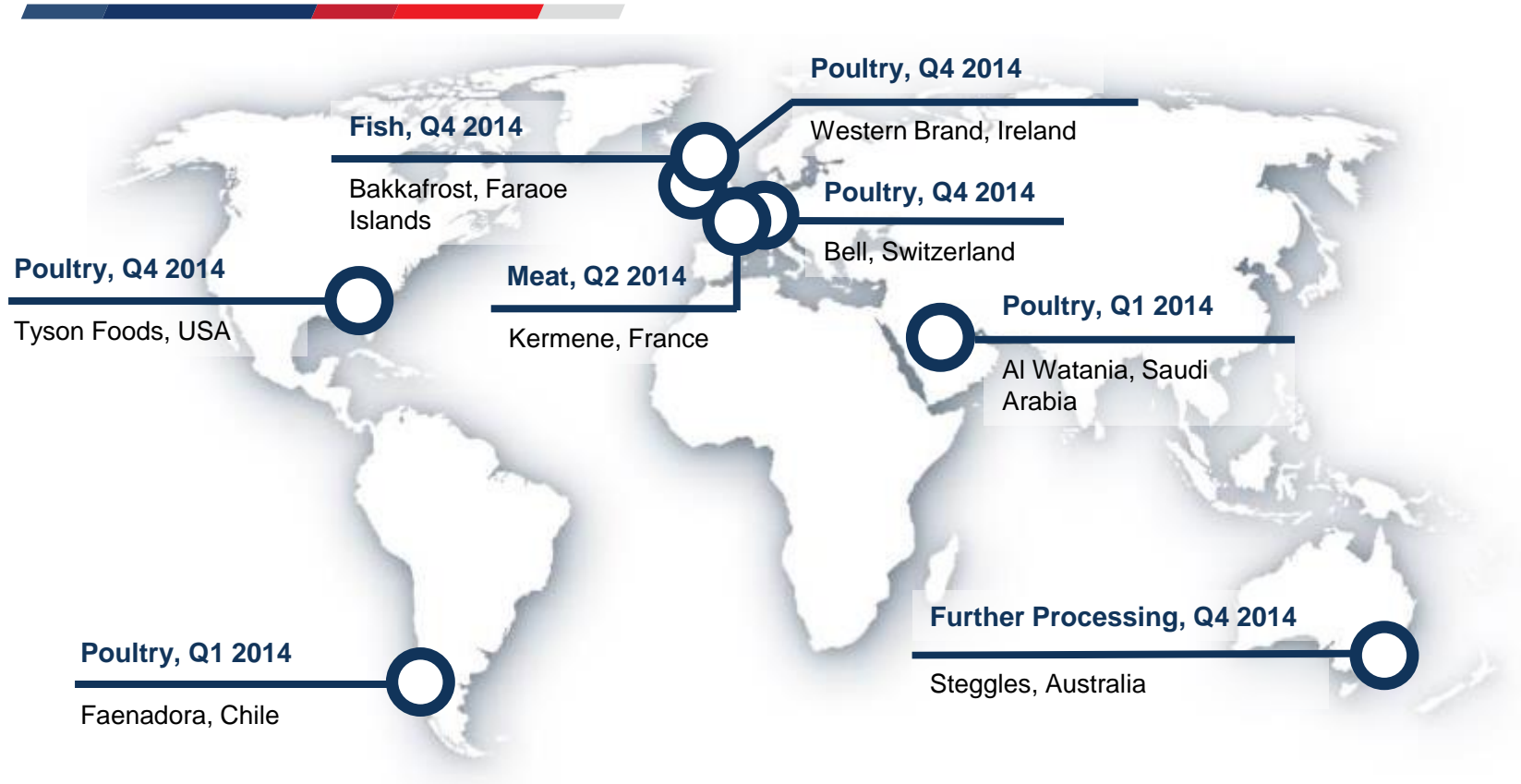
## ◀ Greenfields

- Several large Greenfield projects in Poultry, Fish, and Further Processing

## 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

# Large projects around the globe in 2014





# Innovation is a key growth driver

- FleXicut Marel's water-jet cutter for high precision bone detection and removal will reshape whitefish processing
- Flexicut won the Nor-fishing foundation innovation prize in August 2014



# FleXicut- The future in white-fish processing



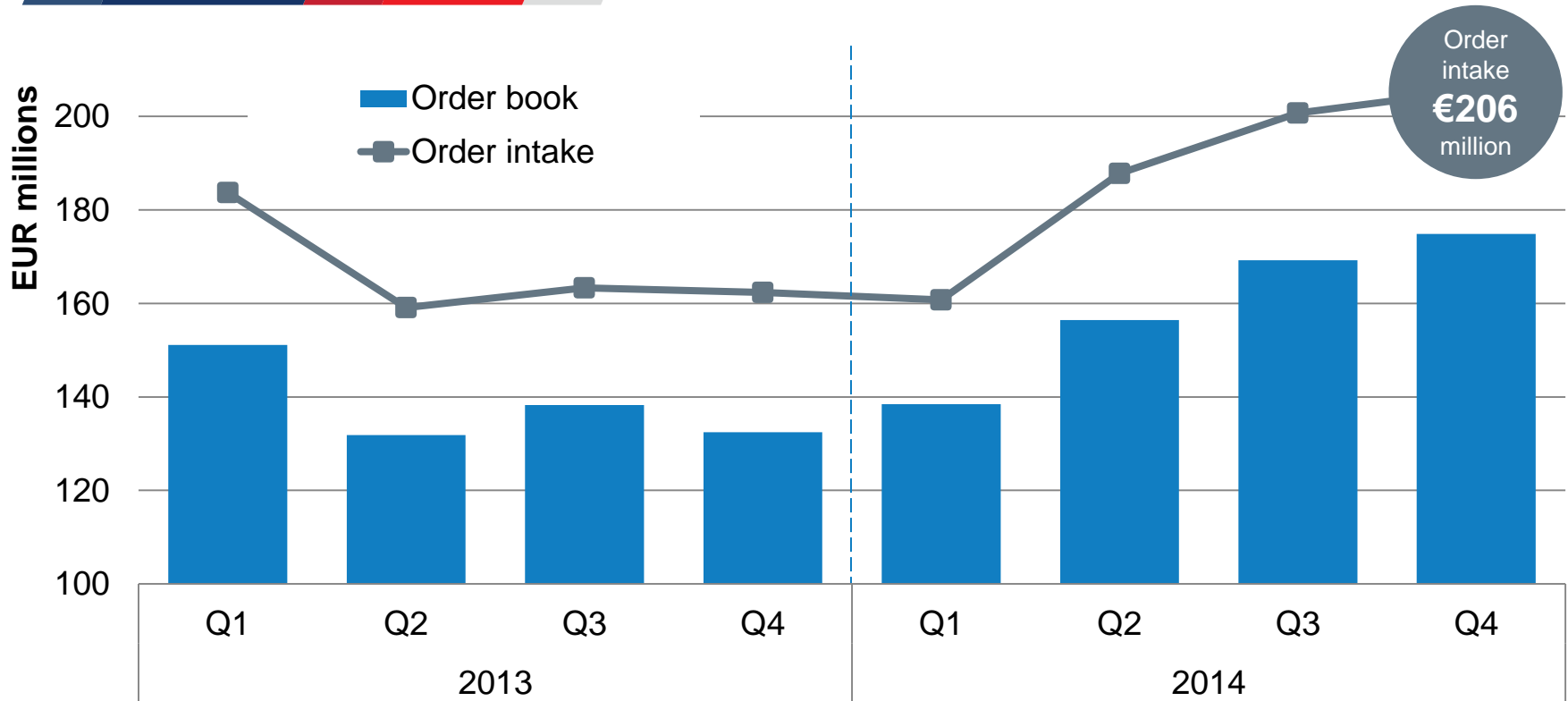
- FleXicut combines high precision bone detection with water-jet trimming & pinbone removal
- This automation of whitefish bone detection & removal reduces the need for skilled labor & greatly improves overall yield & quality
- FleXicut is intelligent – it optimizes the utilization of the fish, ensuring the best use of each & every fillet to maximize the production of the highest value cuts



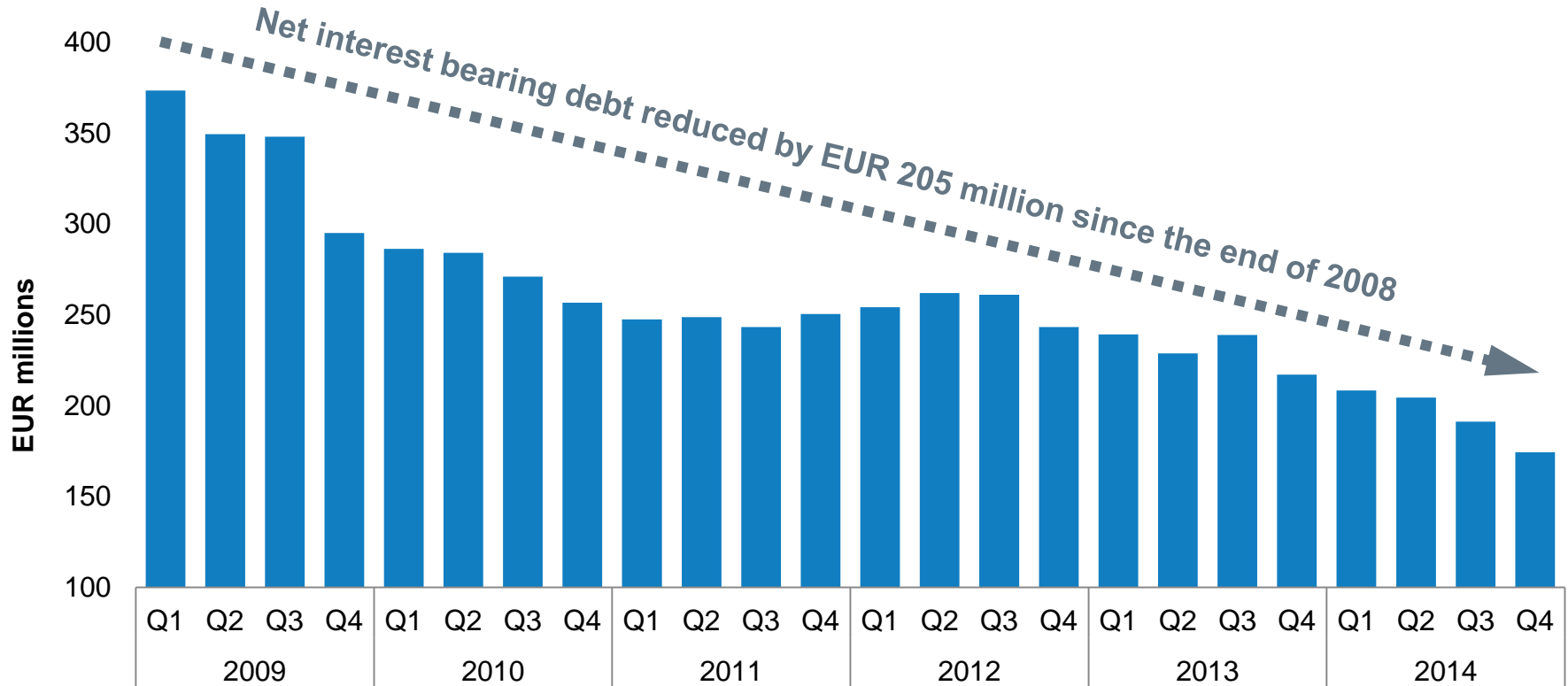
# Business Results

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# Order book at a good level at the start of 2015

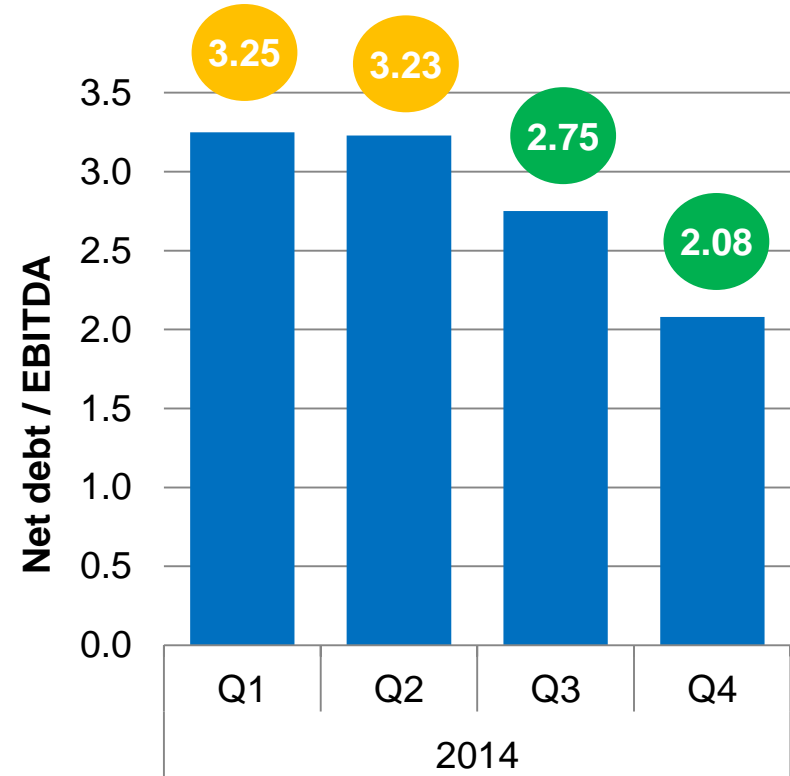


# Net interest bearing debt reduced by EUR 42.8 million in 2014



# Capital structure in line with targets


- Net debt / EBITDA ratio target of 2-3 x EBITDA
- Dividend of 30% of net profit paid out in line with dividend policy of 20-40%
- Marel is stimulating further revenue and operational profit growth by:
  - Streamlining the business
  - Continuous innovation
  - Investing in the business



## Refocusing on track

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# Simpler, Smarter, Faster



Refocus the product portfolio. Leverage our strengths and focus on our unique solutions

Optimize manufacturing footprint to balance utilization of resources within the company

Continuous focus on innovation and investments to advance the business to drive future value creation



Serve customer needs better

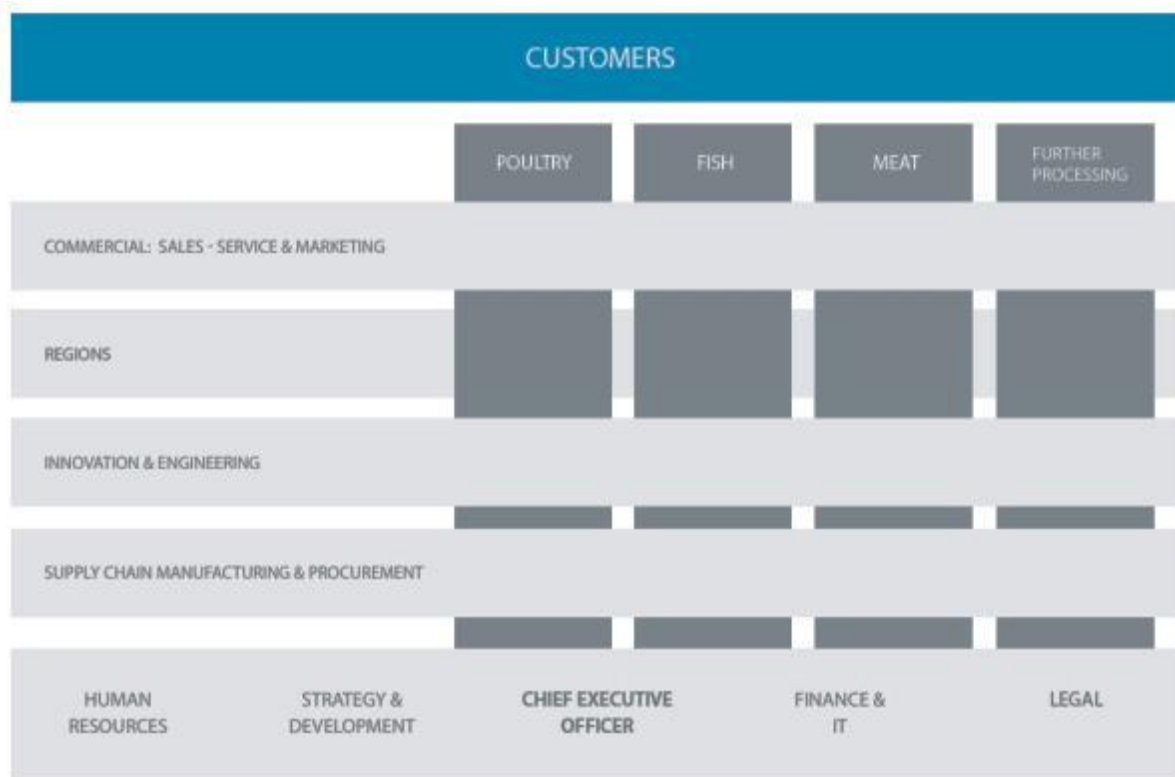
Reduced “time to market” for innovative solutions

Penetrate market faster after product launches

Increase operational efficiency with a target of EBIT in excess of €100 million in 2017



# Simpler, Smarter, Faster Organizational Structure



# Refocusing well on track



## At the customer, for the customer

- Record order intake and revenue in the second half of 2014



## Simpler, Smarter, Faster Marel

- Streamlining in sales, service, and innovation



## Actions taken to optimize manufacturing in 2014

- Salmon activities transferred from Norresundby to Stovring
- Meat activities transferred from Oss to Boxmeer
- Ceasing of manufacturing of freezers in Singapore



# Ceasing of manufacturing in Singapore



- The production of freezers in Singapore has been ceased. The last freezer was manufacturing in February 2015.
- The cost associated with the closure were booked as one-off costs in Q4 2014.
- This action marks the closing of a loss-making entity and it will increase operational profit during the second half of 2015 and onwards.
- Part of the strategy to refocus the product portfolio to concentrate on areas of competitive advantage and to strengthen market position
- At the same time, Marel is stepping up sales and service activities in Asia with a more focused market approach



Marel is entering into partnership to continue to provide freezing solutions for integrated solutions to its

# Actions taken to optimize manufacturing in 2015



## Streamlining of U.S. operations



- Manufacturing in Des Moines to be merged to an existing facility in Gainesville
- Investment in a new innovation center in Des Moines

## Streamlining of U.K. operations



- Divestment of High-speed slicing operations in Norwich
- The acquirer is the Middleby corporation
- Marel will retain the frozen portioning and robotics product families, which remain of strategic importance

## Divestment of non-core business

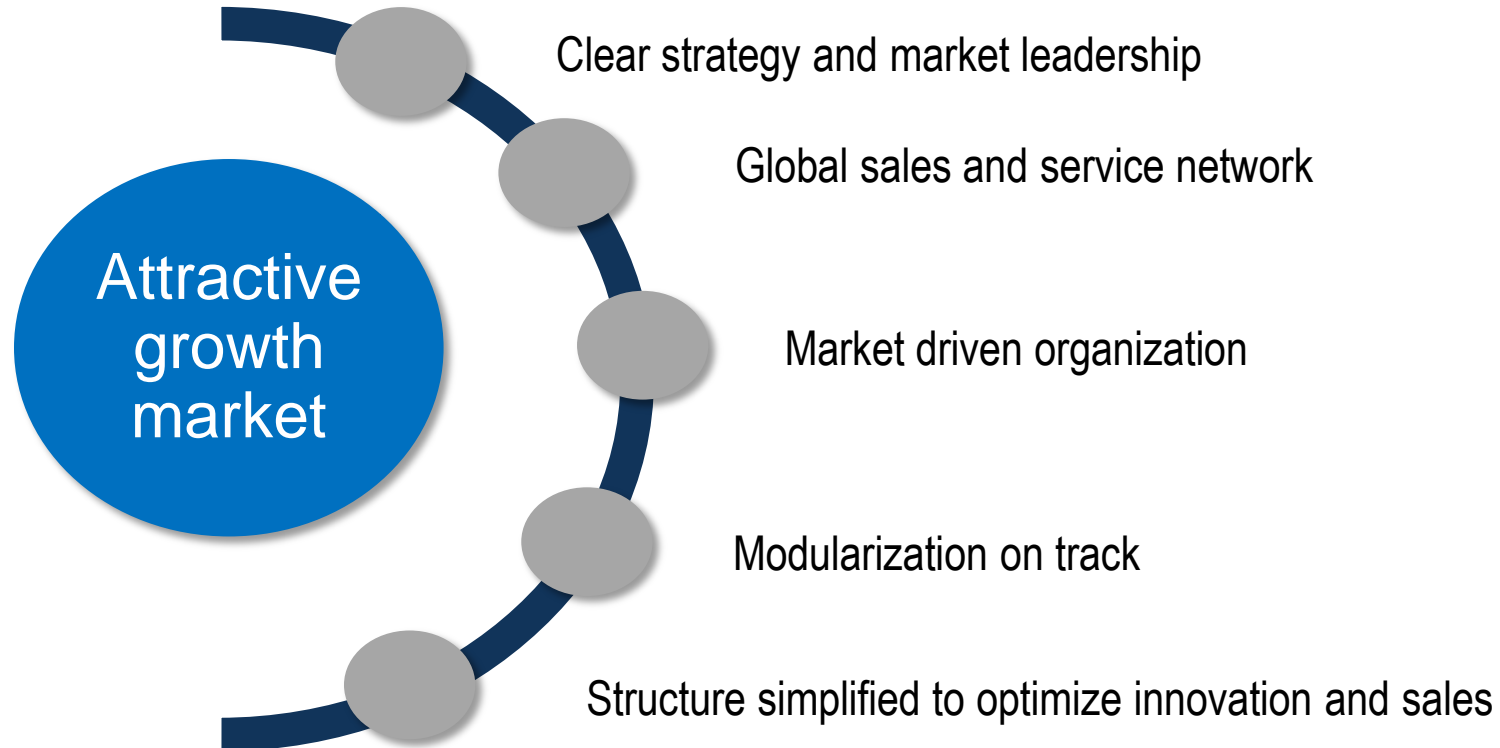


- Stork Inter Ibérica focusing on the local dairy business in Spain, sold to Keravalon, a private investment group



Bright Future for Marel

# Aligning strategy and execution



## 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

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

2015

Organic growth  
Solid operational improvement  
Good cash conversion

2016

Organic growth  
Solid operational improvement  
Good cash conversion

2017

Organic growth  
> 100 million EBIT  
Good cash conversion

Total estimated cash-out cost of refocusing €25 million

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Thank you  
Takk fyrir  
Dank u wel  
Mange tak