

# 3

## CEO's operational report

**Arni Oddur Thordarson,**  
Chief Executive Officer

# NAVIGATING THROUGH A CHALLENGING YEAR



Together, our extraordinary Marel team, our customers and suppliers, have ensured that one of the most important value chains in the world - the food value chain - continues to run efficiently

## CONTINUED GROWTH & INNOVATION

- ✓ Three key transformative decisions in early 2020
  1. Refinancing
  2. Solidifying supplier relationships
  3. Canceled all physical trade show activity
- ✓ Innovation commitment fully on track, COVID-19 has accelerated existing trends for higher automation, traceability and channel flexibility for a more sustainable production
- ✓ Acquisition of TREIF, a great strategic fit that will strengthen standard equipment sales for Marel Meat, ability to cascade technology into other industries and explore aftermarket potential
- ✓ Bolt-on acquisition of PMJ (Marel Poultry) and strategic investment in Stranda (Marel Fish) in early 2021

## TWO KEY SUCCESS FACTORS

1

### GLOBAL REACH – our customers first

- Our global reach with a local presence, with over 2,200 sales and service employees in 30 countries serving customers in 140 countries, a key differentiating factor
- Past investments in the platform and six region structure instrumental to deal with impact from the pandemic, trade constraints and geopolitics
- Good project delivery and installment under the circumstances

### A UNITED TEAM – safety a priority

- First priority to ensure the safety of Marel's employees, customers and related 3<sup>rd</sup> parties
- Focus on securing business continuity globally, all manufacturing sites worldwide have remained open, albeit at higher cost and operating at below historical and targeted utilization rates
- A Global Pay Policy to secure minimum pay during to COVID-19

2

### DIGITAL SOLUTIONS – can you hear me?

- Marel Live events set up in two weeks for online trade shows and Marel ShowHows
- Customer engagement via virtual equipment demonstrations and online customer training
- Speed of digital transformation is immense, and a more demand-driven food value chain will reduce waste and better utilize available resources.

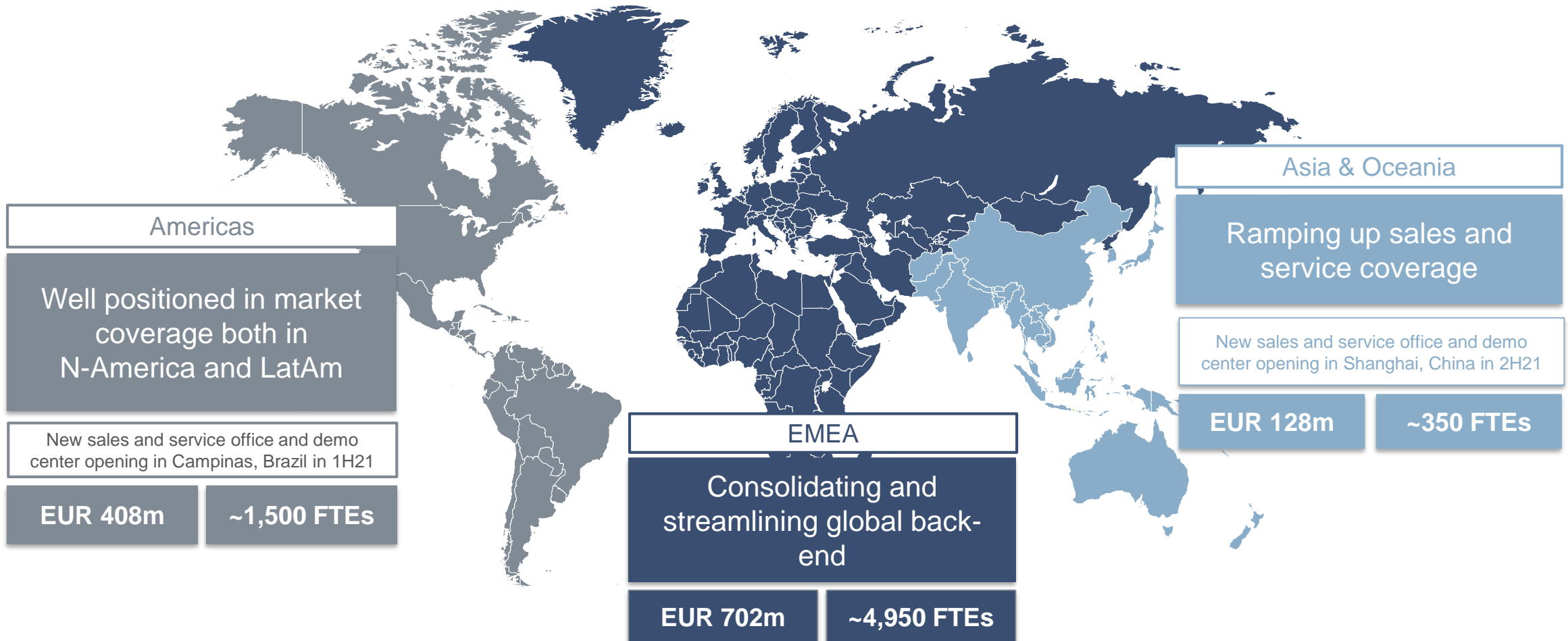
### NEW WAYS OF WORKING - we're ready

- New ways of working normalized, less travel and new tools for customer engagement
- On average 3,000 employees have been working from home, equipped with necessary tools to support remote management/training and follow-up on emotional well-being
- Introducing flexible working policy, internal communications, VPN Capacity up 500%
- Focus on 'ready2return' working environment

# GLOBAL REACH



Marel enjoys a strong foothold in Europe, the US and Latin America and continues to build up its coverage and frontline in sales and service with local leadership in Asia and Oceania



# MAREL'S DIGITAL JOURNEY IS IN FULL MOTION



Marel aims to provide a platform for interconnectivity and optimization for fish, meat and poultry processors to maximize value creation in a sustainable way

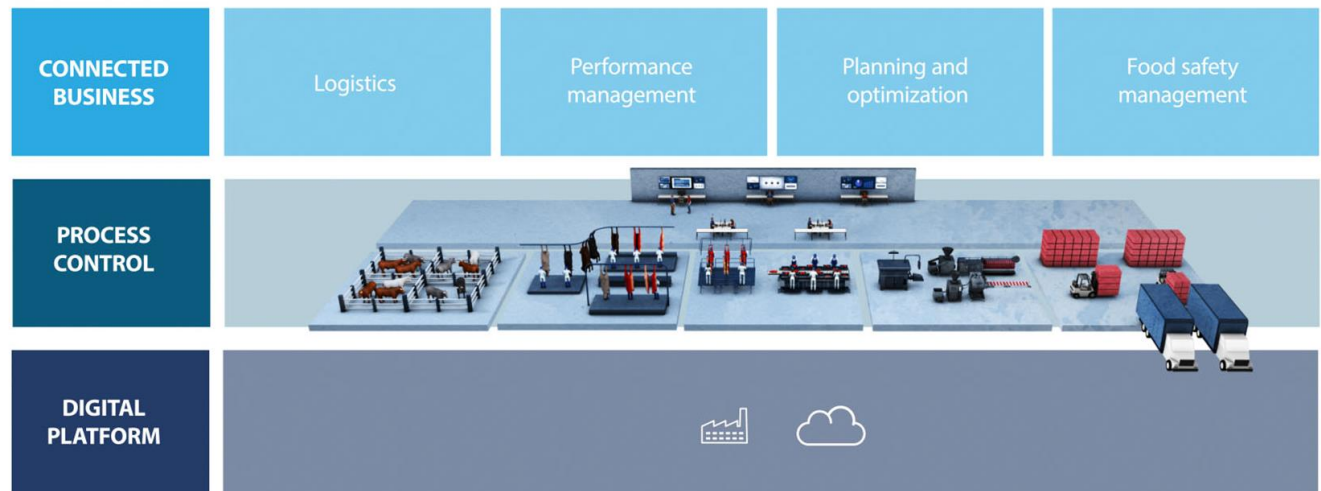
## DIGITAL VISION

*“To be the digital partner of choice for the food processing industry, and enable customers to sustainably maximize value creation by providing the platform for interconnectivity and optimization”*



## KEY COMPONENTS IN THE DIGITAL JOURNEY

- Digital Platform provides the infrastructure enabling digital products that drive optimized value creation
- Process Control allows customers to seamlessly configure and operate multiple devices as a single automated ‘system’
- Connected Business offers digital solutions that optimize logistics, performance management, planning and optimization and food safety management to drive value creation



Efficiency

Throughput

Yield

Quality

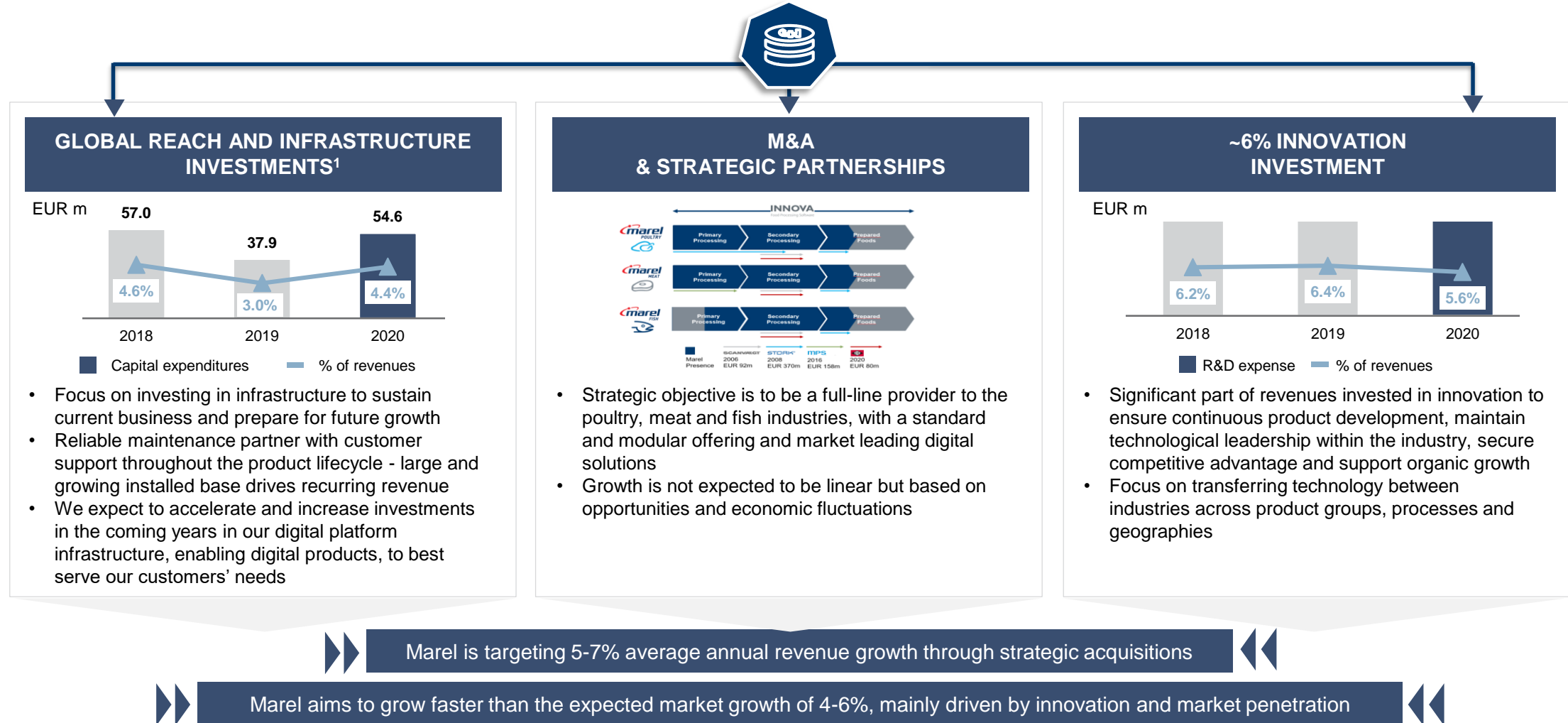
Capacity

Uptime

# INVESTING IN GROWTH



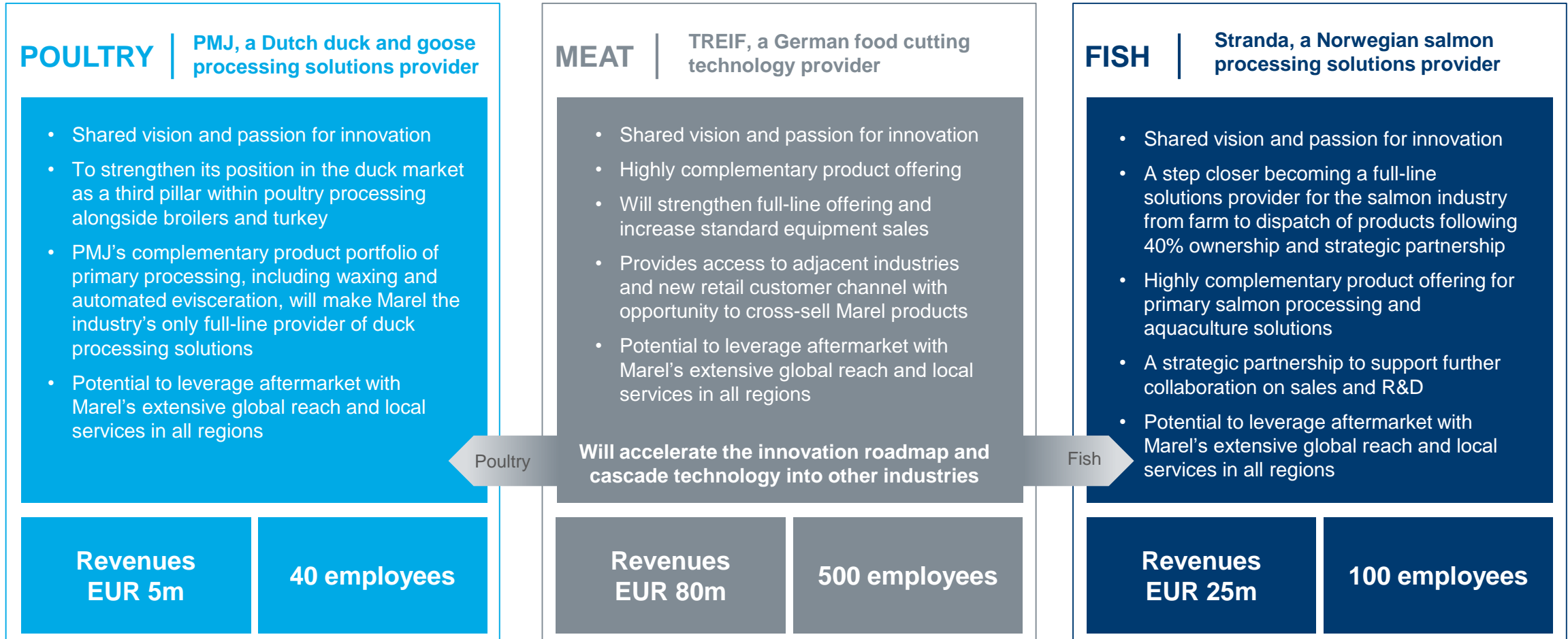
Robust cash flow to support strategic investments in innovation, infrastructure and M&A opportunities, aim for 12% average annual revenue growth in 2017-2026



# STRATEGIC MOVES



Significant investments in global reach and digital solutions throughout the years make Marel an attractive partner in the ongoing consolidation wave within our industry



# EXTENDED PRODUCT OFFERING WITH TREIF



Opportunities to cascade technology between industries as well as to expand scope of sales. Impressive solutions have been added to Marel's product offering with the introduction of TREIF as a part of Marel

## FALCON evolution

High-speed cutting with extremely high throughput and continuously reliable precision - this is what the Falcon evolution stands for:

- Continuous loading – top weight results
- Yield optimized cutting thanks to 4D camera system in combination with innovative software programs and feedback control
- Optional software components for improving performance



## PUMA

High-performance and precision even with bone-in products:

- Fast and simple operation
- Optimum exploitation of the product as a result of residual piece optimization
- Automatic ejection of the remaining piece due to pneumatic product holder





# NEW MARKET-LEADING X-RAY TECHNOLOGY



New members of the SensorX family are transforming processing in the meat industry with SensorX Magna and SensorX Accuro as new offerings to our meat customers

## SensorX Magna

SensorX Magna automatically rejects bone with an unprecedented low amount of raw material, ensuring yield is never compromised.

It also monitors and enables control of fat to lean ratio right from the start, allowing further processors to streamline the entire meat preparation process.



## SensorX Accuro

SensorX Accuro combines market-leading X-ray technology and advanced grading algorithms to intelligently create batches with specific fat to lean (CL) and weight targets:

- Significantly increases raw material value
- Greatly Improves product consistency
- Considerably reduces lean giveaway
- Guarantees highest product quality

