



Q1 2015 Presentation

April 30, 2015

Arni Oddur Thordarson, CEO

Strong sales and operational improvement

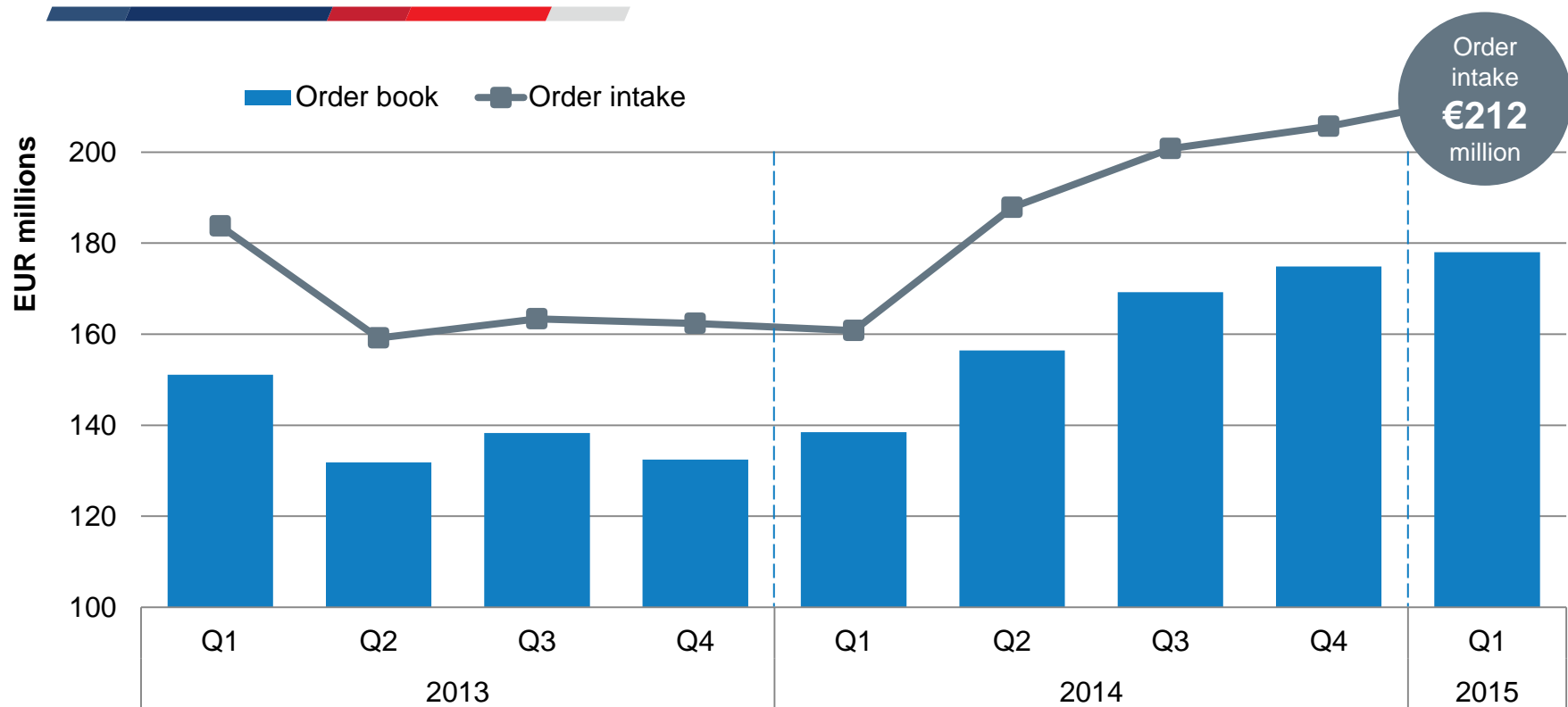


- Record revenue of €209 million compared to €155 million in Q1 2014
 - Good geographical and product mix
- Record order intake of €212 million
- Adjusted EBIT €23.8 million or 11.4%
- Adjusted EBITDA €36.9 million or 17.6%
 - Free Cash Flow €31.0 million
- Net result €12.6 million



* Refocusing costs in Q1 2015 amount to €7.6 million

Record order intake in Q1 2015



Business overview



Other segments such as vegetable and cheese account for 1% of revenue



Poultry

Strong start of the year with volume and profitability at good level

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

52% of revenue
17.2% adj. EBIT



Fish

Very good quarter for Marel's whitefish and salmon segment with record order intake and a good mix of Greenfields and modernization projects

Successful Salmon ShowHow

15% of revenue
8.5% adj. EBIT



Meat

Order intake in meat slow compared to other segments while outlook remains positive

Operation streamlined and favorable divestment of High Speed Slicing concluded in beginning of Q2 2015

Successful Meat ShowHow

17% of revenue
3.6% adj. EBIT



Further Processing

Market approach strengthened and participation in various trade shows and exhibitions resulting in improvements in order intake

Streamlining of U.S. activities

15% of revenue
5.0% adj. EBIT

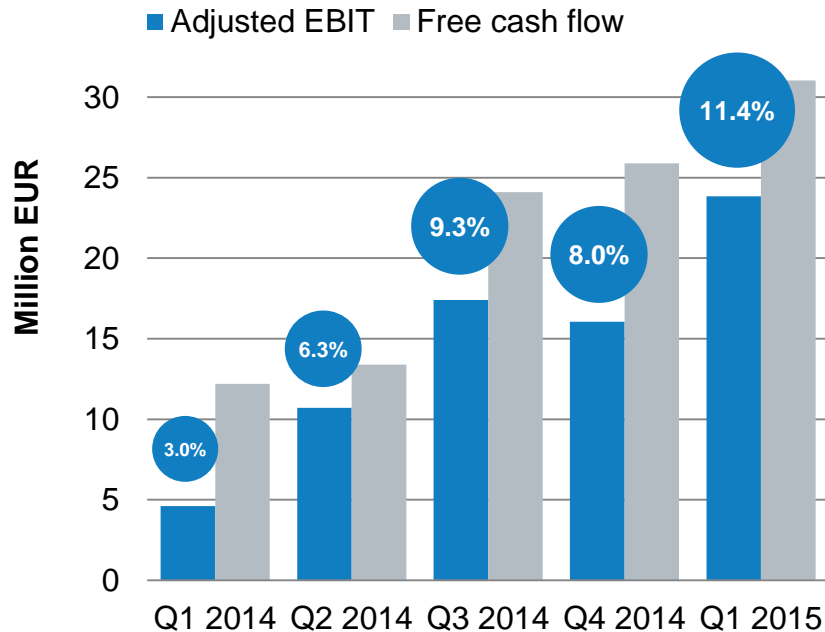
Operational results in Q1 2015 above expectations



- Adjusted EBIT in Q1 2015 compared to Q4 2014: 48% ↑
- EBIT in Q1 2015 compared to Q4 2014: 91% ↑
- EBITDA in Q1 2015 compared to Q4 2014: 40% ↑
- Net results in Q1 2015 higher than for the full year of 2014 ↑
- Leverage ratio 1.48 at the end of Q1 2015 compared to 2.08 at the end of Q4 2014 ↑
 - Driven by increased EBITDA and strong cash flow

On April 20, Marel issued a positive profit warning based on preliminary results

Operational results improving with strong cash flow



- Revenue growth of 35% from last year
- Adjusted EBIT of €23.8 million
- Order book at end of Q1 2015 is €178 million compared to €138 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 1.48

Linda Jonsdottir, CFO

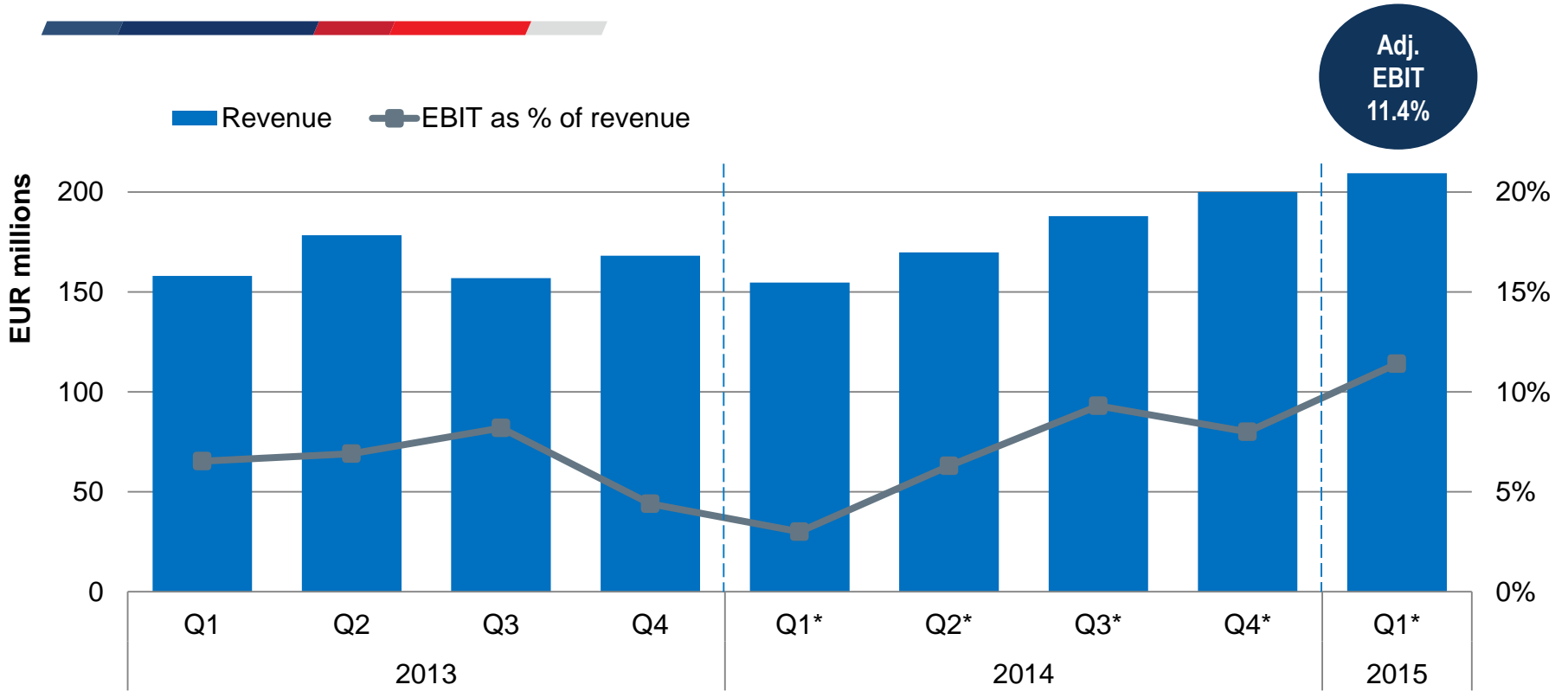
Business results



EUR thousands

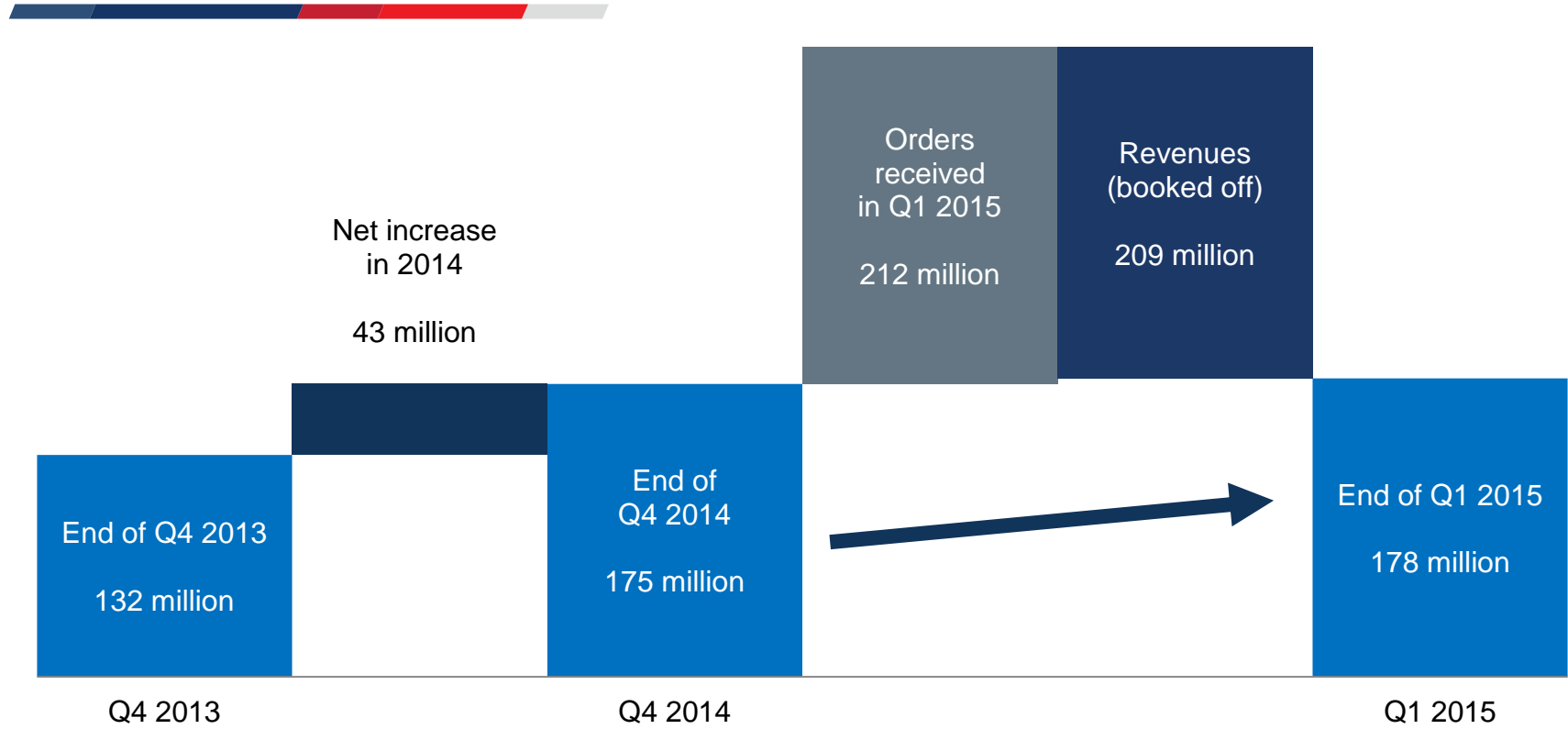
	Q1 2015	Q1 2014	Change in %
Revenue	209,311	154,757	35.3
Gross profit before refocusing cost	81,464	52,666	54.7
<i>as a % of revenue</i>	38.9	34.0	
Before refocusing costs			
Result from operations (adjusted EBIT)	23,837	4,569	421.7
<i>as a % of revenue</i>	11.4	3.0	
Adjusted EBITDA	36,871	11,621	217.3
<i>as a % of revenue</i>	17.6	7.5	
After refocusing costs			
Result from operations (EBIT)	16,244	1,019	1,494.1
<i>as a % of revenue</i>	7.8	0.7	
EBITDA	29,393	8,071	264.2
<i>as a % of revenue</i>	14.0	5.2	
Net result	12,620	(1,871)	774.5
Orders received (including service revenues)	212,473	160,767	32.2
Order book	178,041	138,449	28.8

Firm steps taken to improve profitability



* Results are normalized

Record order intake and order book at good level



Condensed consolidated balance sheet



ASSETS (EUR thousands)

Non-current assets

	31/03 2015	31/12 2014
Property, plant and equipment	93,341	96,139
Goodwill	389,738	387,103
Other intangible assets	110,447	114,916
Receivables	16	94
Deferred income tax assets	9,369	7,873
	<u>602,911</u>	<u>606,125</u>

Current assets

Inventories	91,550	88,450
Production contracts	29,936	29,123
Trade receivables	82,754	77,125
Assets held for sale	9,339	2,500
Other receivables and prepayments	29,135	23,551
Cash and cash equivalents	93,694	24,566
	<u>336,408</u>	<u>245,315</u>

Total assets

	<u><u>939,319</u></u>	<u><u>851,440</u></u>
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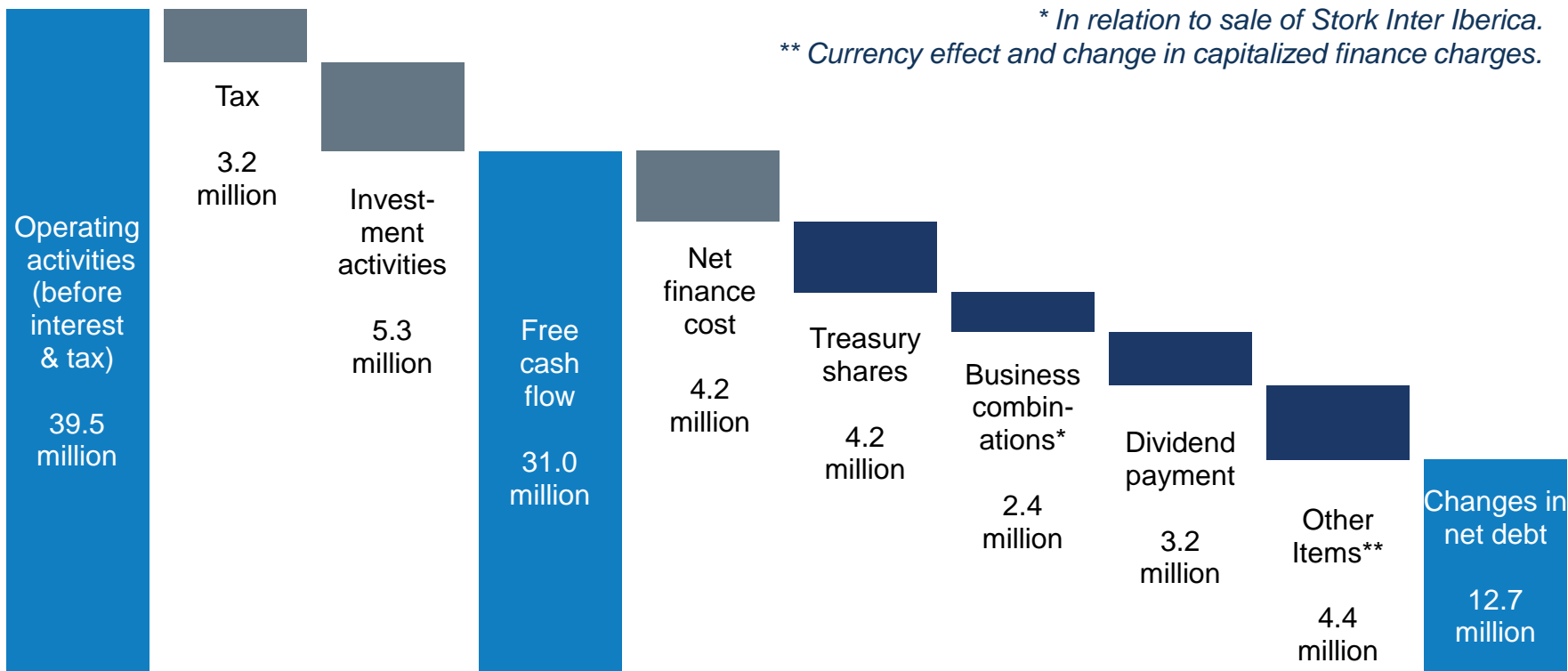
Condensed consolidated balance sheet (continued)



LIABILITIES AND EQUITY (EUR thousands)

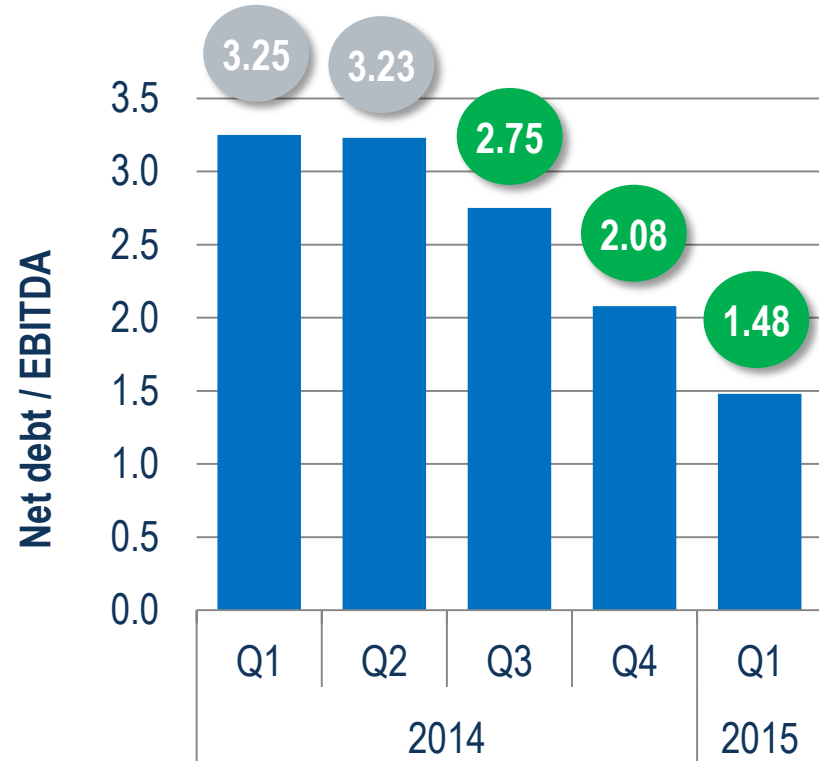
	31/03 2015	31/12 2014
Equity	432,613	427,498
LIABILITIES		
Non-current liabilities		
Borrowings	236,759	180,278
Deferred income tax liabilities	12,255	11,308
Provisions	8,036	7,292
Derivative financial instruments	5,505	5,399
	<u>262,555</u>	<u>204,277</u>
Current liabilities		
Production contracts.....	72,559	64,958
Trade and other payables	136,954	122,479
Liabilities held for sale	811	-
Current income tax liabilities	5,074	4,185
Borrowings	18,591	18,635
Provisions	10,162	9,408
	<u>244,151</u>	<u>219,665</u>
Total liabilities	506,706	423,942
Total equity and liabilities	939,319	851,440

Q1 2015 cash flow composition and changes in net debt



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
- Board of Directors authorized the management to purchase own shares
 - Authorization to purchase up to 25 million own shares in one or more transactions in the period that is remaining of 2015. The shares are to be used as payment for potential future acquisitions with approval from the Board of Directors

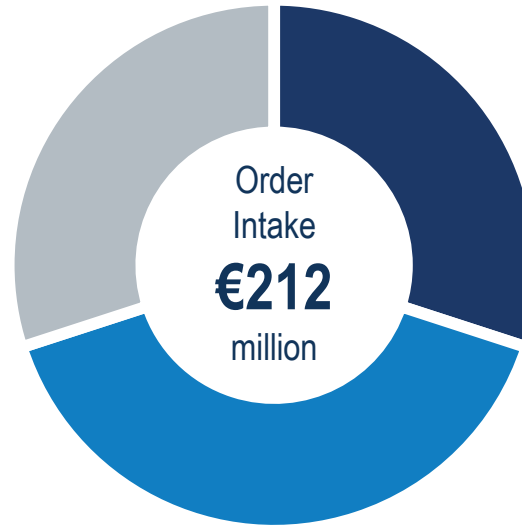


Arni Oddur Thordarson, CEO

Good mix of Greenfields, Modernization, and Maintenance

Modernization and standard equipment ►

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



◀ Greenfields

- Small and medium sized Greenfield projects in all segments and one large-scale Greenfield in fish in Q1 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 sites at the start of Simpler, Smarter, Faster



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

Divestment of non-core business

- Stork Inter Ibérica in Spain sold to a private investment group

Streamlining of Denmark operations

- Transfer of Bornholm activities to an existing facility in Aarhus

Subsequent event: Streamlining of U.K. operations

- High Speed Slicing operations in Norwich sold to the Middleby corporation
- Signed in Q1 and closed in Q2
- Marel retains robotics product families and merges with operations in Aarhus
- Portioning activities transferred to Nitra in Slovakia

Manufacturing and innovation footprint streamlined



Refocusing actions

- ✓ Manufacturing moved from Noerresundby to Stovring
- ✓ Manufacturing moved from Oss to Boxmeer
- ✓ Manufacturing ceased in Singapore and Beijing
- ✓ New innovation center to be built in Des Moines
- ✓ Manufacturing in Des Moines being transferred to Gainesville which becomes a multi-industry site
- ✓ Bornholm activities to be transferred to Aarhus
- ✓ Operations in Norwich divested
- ✓ Management in various sites strengthened and combined

Effect of divestments and discontinued operations



- Marel is refocusing its product portfolio to concentrate on areas of competitive advantage and to strengthen its market position
- In Q1 2015, Marel discontinued operations in Singapore, Spain and the U.K. that were running on low gross margin and negative EBIT
 - In 2014, they accounted for close to €30 million in revenue
 - In Q1 2015, they accounted for €6 million in revenue
 - Orders related to discontinued operations amount to €4 million at the end of Q1

Partnerships with Heinen and VDL



- In January, Marel announced the ceasing of its own production of freezers in Singapore and that it would provide freezing solutions to its customers through partnerships
- We can now announce that we have formed partnerships with Heinen freezing and VDL systems
- These partnerships will support Marel's full line offerings in fish, meat and poultry processing



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

2016

2017

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

Organic growth
Solid operational improvement
Good cash conversion

Organic growth
Solid operational improvement
Good cash conversion

Organic growth
> €100 million EBIT
Good cash conversion

Cash-out cost to date €12 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