



Q3 2015 Presentation

October 29, 2015

Arni Oddur Thordarson, CEO

Strong order intake and robust operational performance

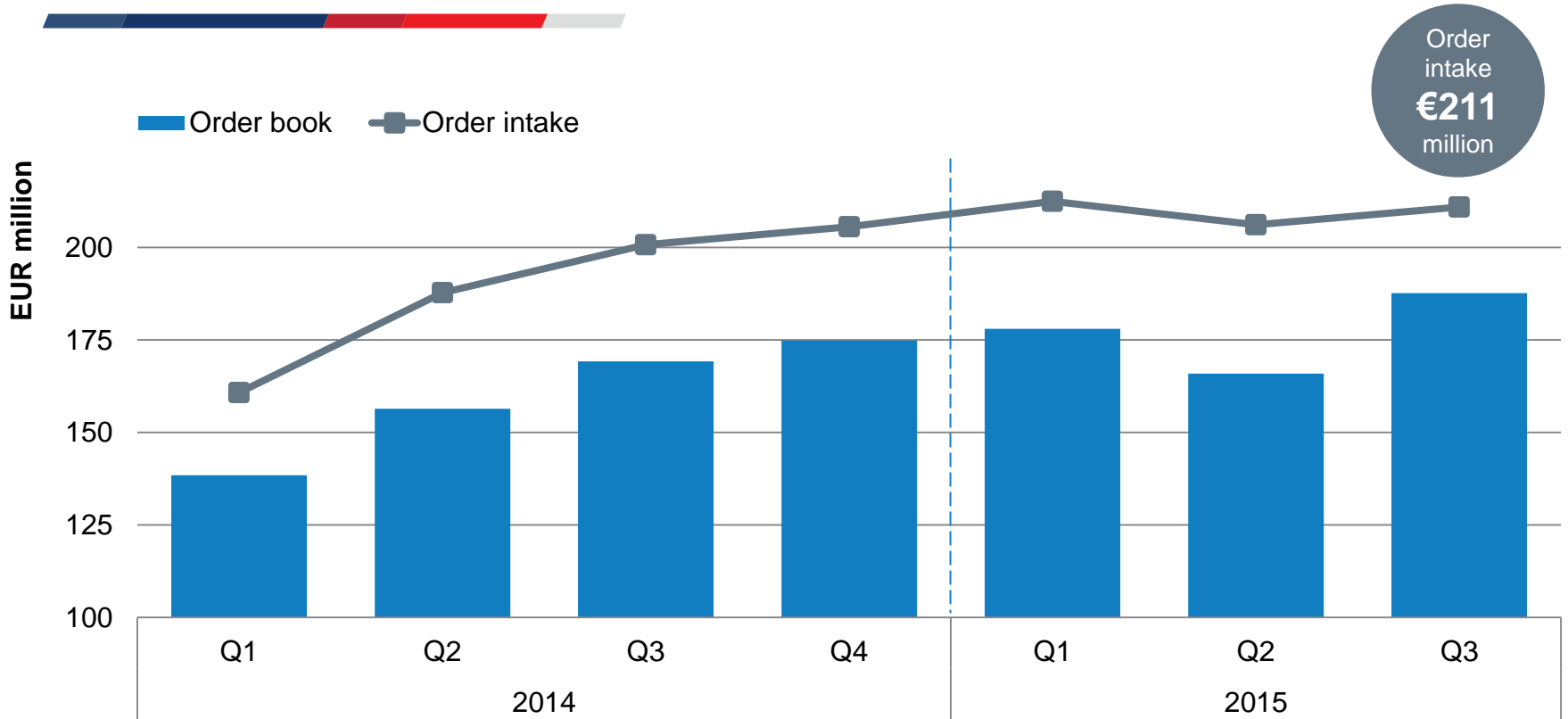


- Revenue of €189 million [Q3 2014: 188m]
 - Good geographical and product mix
- Order intake of €211 million [Q3 2014: 200m]
- Adj. EBIT €24.2 million or 12.8% [Q3 2014: 9.3%]
- Adj. EBITDA €31.6 million or 16.7% [Q3 2014: 13.8%]
- Net result €14.7 million [Q3 2014: 9.8m]
- Earnings per share 2.07 eurocents [Q3 2014: 1.34]

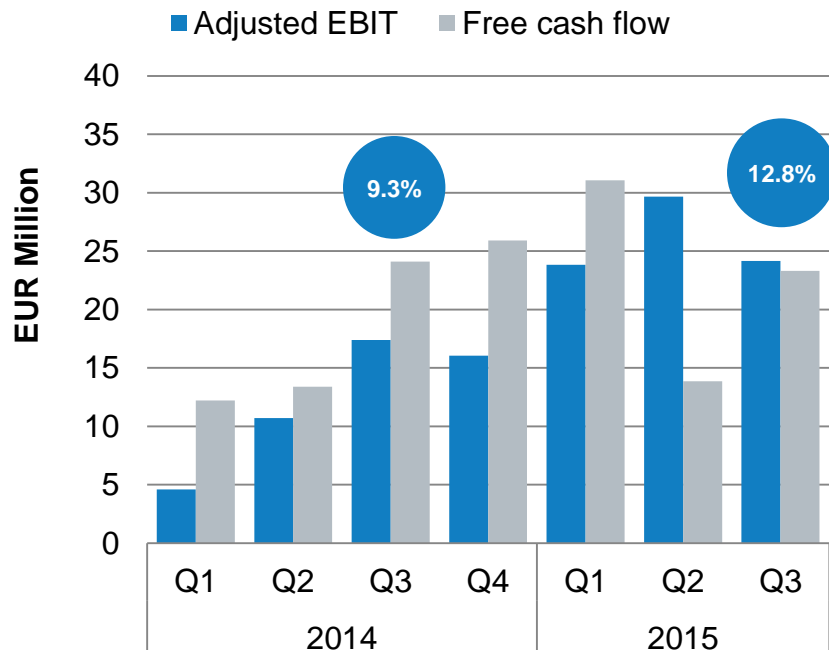


* Refocusing costs in Q3 2015 amount to €2.0 million

Order book at a good level



Solid operational performance with strong cash flow



- Adj. EBIT €24.2 million or 12.8% [Q3 2014: 9.3%]
- Marel has streamlined its operations and focused its product portfolio
 - Discontinued low margin business accounts for 30 million annually and is not included in the accounts since Q2 2015
 - Marel has optimized its manufacturing footprint leading to improved margins
- Year to date revenue is €617 million and adj. EBIT is €78 million (12.6%) compared with €513 million and €33 million (6.4%) respectively during same period last year
- Order book has good product and geographical mix and now stands at €188 million compared with €169 million in Q3 2014

EBITDA improvement and strong cash flow has driven Net Debt/adj. EBITDA down to 1.1

Business overview for the first nine months of 2015



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



Poultry

Very strong first nine months of the year with good volume and profitability

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

55% of revenue
17.8% adj. EBIT



Fish

Good first nine months of the year for Marel's fish segment

Conditions in salmon and white fish segments remain favorable

FleXicut continues to impress customers and good sales were seen in salmon filleting machines in the third quarter

17% of revenue
9.3% adj. EBIT



Meat

Good improvement in profitability compared to previous years

Good activity in third quarter with landmark orders from Mexico and China

Product mix will lead to lower profitability in Q4 than YTD

15% of revenue
9.2% adj. EBIT



Further Processing

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

Further streamlining and investments planned to strengthen Marel's position in the convenience food market

12% of revenue
-2.6% adj. EBIT

Linda Jonsdottir, CFO

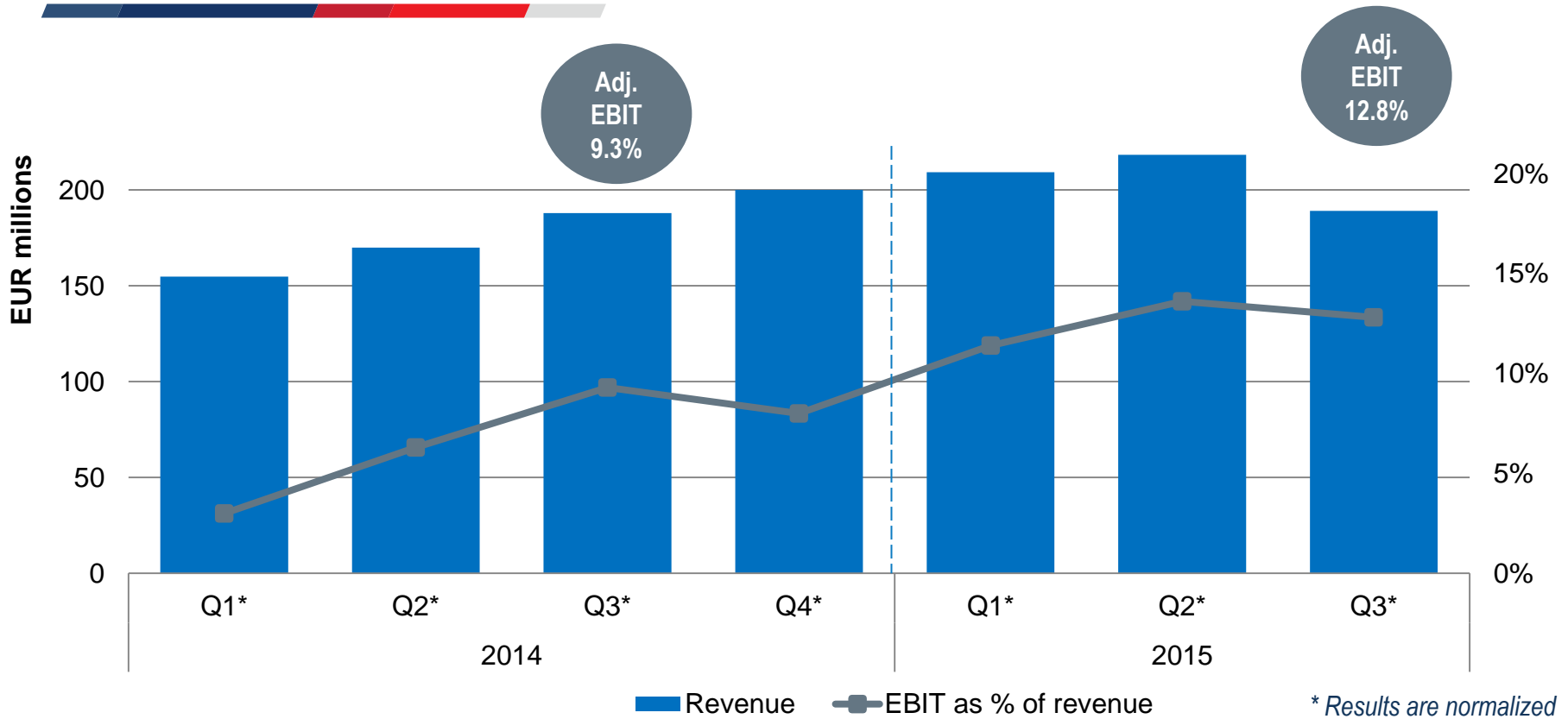
Business results



EUR thousands

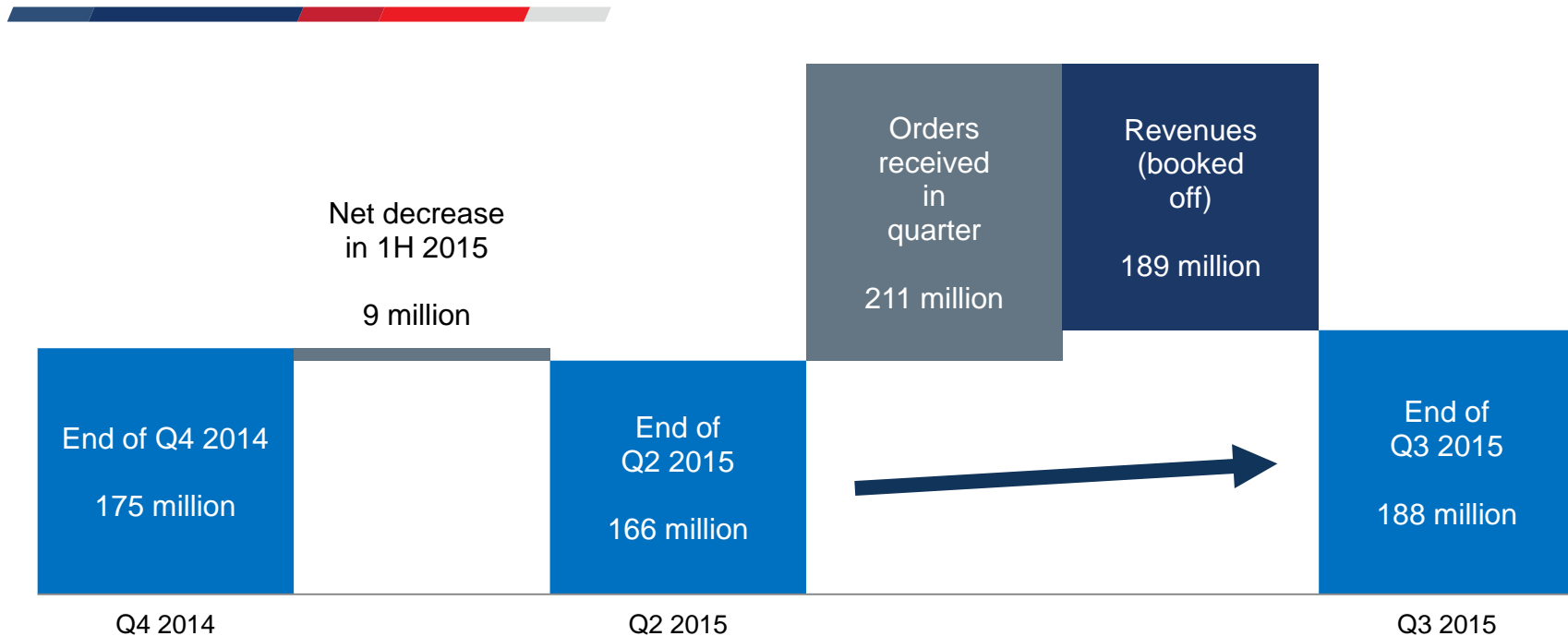
	Q3 2015	Q3 2014	Change in %
Revenue	189,106	187,931	0.6
Gross profit before refocusing cost	73,923	67,372	9.7
<i>as a % of revenue</i>	39.1	35.8	
Before refocusing costs			
Result from operations (adjusted EBIT)	24,166	17,409	38.8
<i>as a % of revenue</i>	12.8	9.3	
Adjusted EBITDA	31,636	25,912	22.1
<i>as a % of revenue</i>	16.7	13.8	
After refocusing costs			
Result from operations (EBIT)	22,206	16,113	37.8
<i>as a % of revenue</i>	11.7	8.6	
EBITDA	29,686	24,616	20.6
<i>as a % of revenue</i>	15.7	13.1	
Net result	14,698	9,841	49.3
Orders received (including service revenues)	210,940	200,747	5.1
Order book	187,722	169,242	10.9

Firm steps taken to improve profitability



* Results are normalized

Order book grew by EUR 22 million between quarters



Order book at the end of Q3 reflects continued operations and refocused product portfolio

Condensed consolidated balance sheet



ASSETS (EUR thousands)

Non-current assets

	30/9 2015	31/12 2014
Property, plant and equipment	85,155	96,139
Goodwill	388,811	387,103
Other intangible assets	105,708	114,916
Receivables	441	94
Deferred income tax assets	9,965	7,873
	<u>590,080</u>	<u>606,125</u>

Current assets

Inventories	96,210	88,450
Production contracts	30,390	29,123
Trade receivables	78,020	77,125
Assets held for sale	4,899	2,500
Other receivables and prepayments	25,928	23,551
Cash and cash equivalents	92,119	24,566
	<u>327,566</u>	<u>245,315</u>

Total assets

917,646

851,440

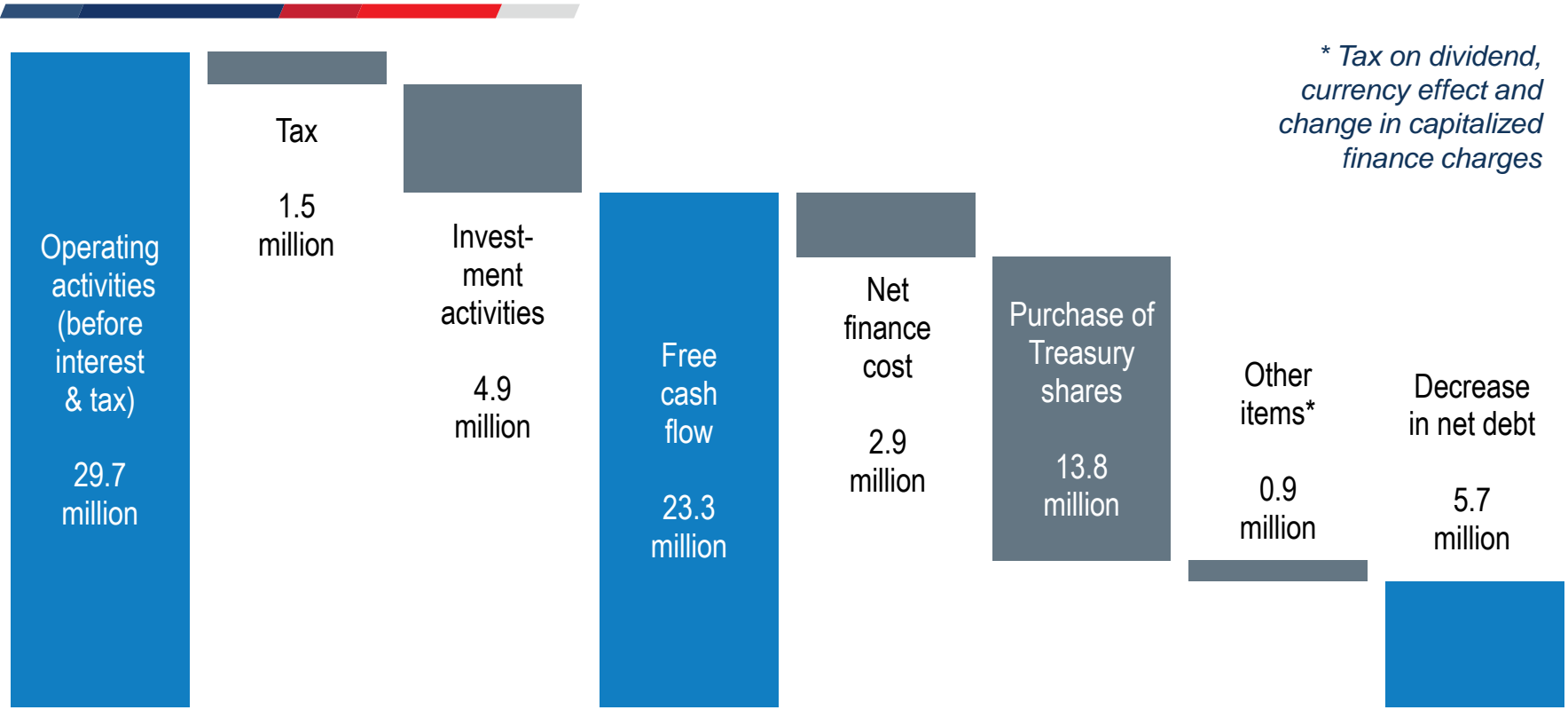
Condensed consolidated balance sheet (continued)



LIABILITIES AND EQUITY *(EUR thousands)*

	30/9 2015	31/12 2014
Equity	434,339	427,498
LIABILITIES		
Non-current liabilities		
Borrowings	223,951	180,278
Deferred income tax liabilities	15,499	11,308
Provisions	11,282	7,292
Derivative financial instruments	4,346	5,399
	<u>255,078</u>	<u>204,277</u>
Current liabilities		
Production contracts.....	73,673	64,958
Trade and other payables	120,615	122,479
Current income tax liabilities	6,365	4,185
Borrowings	18,462	18,635
Provisions	9,114	9,408
	<u>228,229</u>	<u>219,665</u>
Total liabilities	483,307	423,942
Total equity and liabilities	917,646	851,440

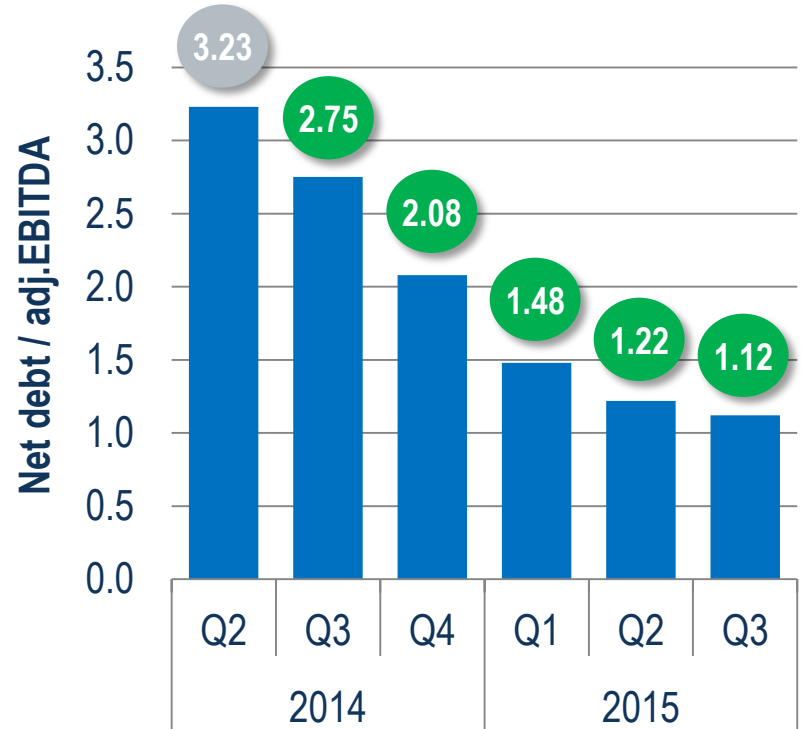
Q3 2015 cash flow composition and change in net debt



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

Ample room for stimulating further growth

- Net debt /adj.EBITDA is 1.12 x EBITDA compared with 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 Q3 Marel acquired 10 million treasury shares for the total amount of €13.8 million. In Q2 Marel acquired 15 million treasury shares for €18.2 million.
 - Marel holds 31.7 million treasury shares, whereof 6.7 million are hedged towards outstanding stock options and 25 million were acquired to use in relations with future acquisitions

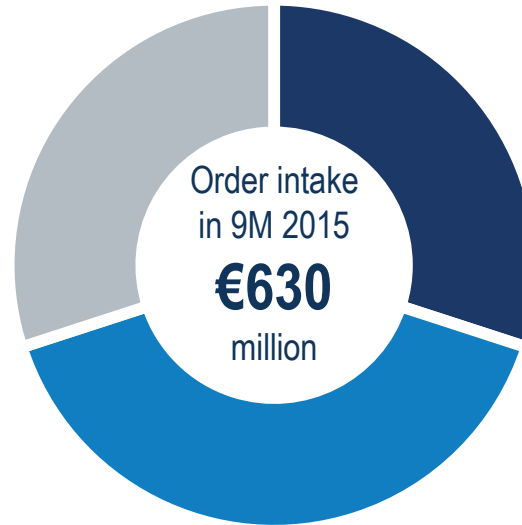


Arni Oddur Thordarson, CEO

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, meat and further processing in Q3 2015

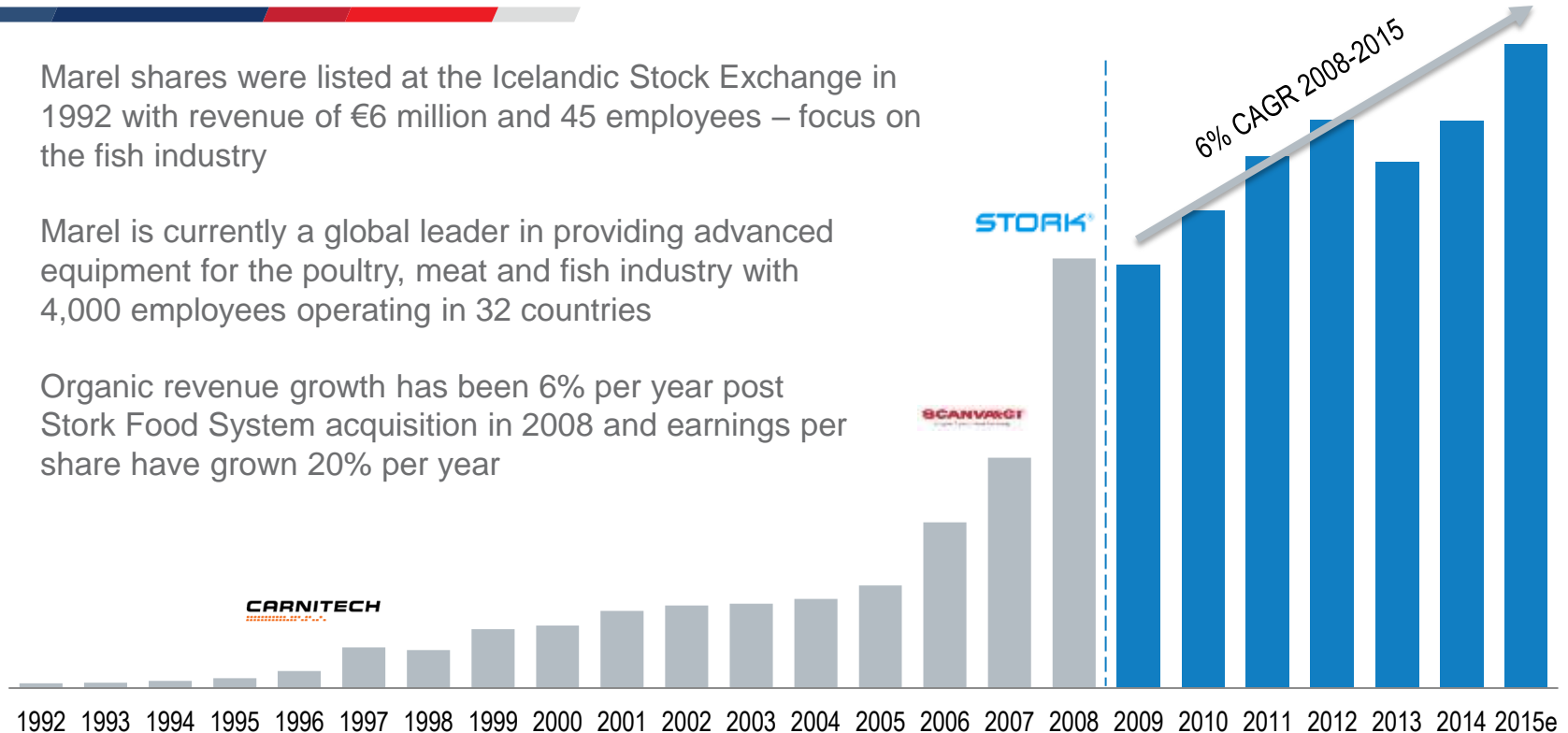
Maintenance ▲

- 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

Strategic acquisitions and strong organic growth



- Marel shares were listed at the Icelandic Stock Exchange in 1992 with revenue of €6 million and 45 employees – focus on the fish industry
- Marel is currently a global leader in providing advanced equipment for the poultry, meat and fish industry with 4,000 employees operating in 32 countries
- Organic revenue growth has been 6% per year post Stork Food System acquisition in 2008 and earnings per share have grown 20% per year



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 €617m
Adj. EBIT €77.7m
Free cash flow €70.6m

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 below €25 million throughout the program



Thank you
Takk fyrir
Dank u wel
Mange tak

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