



Q4 and full year 2015 presentation

February 4, 2016

Year of
profitable
growth and
strategic
moves

Arni Oddur Thordarson, CEO

Full year 2015: Year of profitable growth and strategic moves



- Revenue of €819 million [2014: 713m]
- Order intake of €825 million [2014: 755m]
- Adj. EBIT €99.9 million or 12.2% [2014: 6.8%]
- Adj. EBITDA €135.8 million or 16.6% [2014: 11.7%]
- Net result €56.7 million [2014: 11.7m]
- Earnings per share 7.93 eurocents [2014: 1.60]
- Simpler, Smarter, Faster successfully concluded and focus shifts towards full potential



* Adjustments in 2015 consist of €15.0 million in refocusing costs and €3.3 million in acquisition costs

Q4 2015: Solid performance, MPS acquisition & long term financing

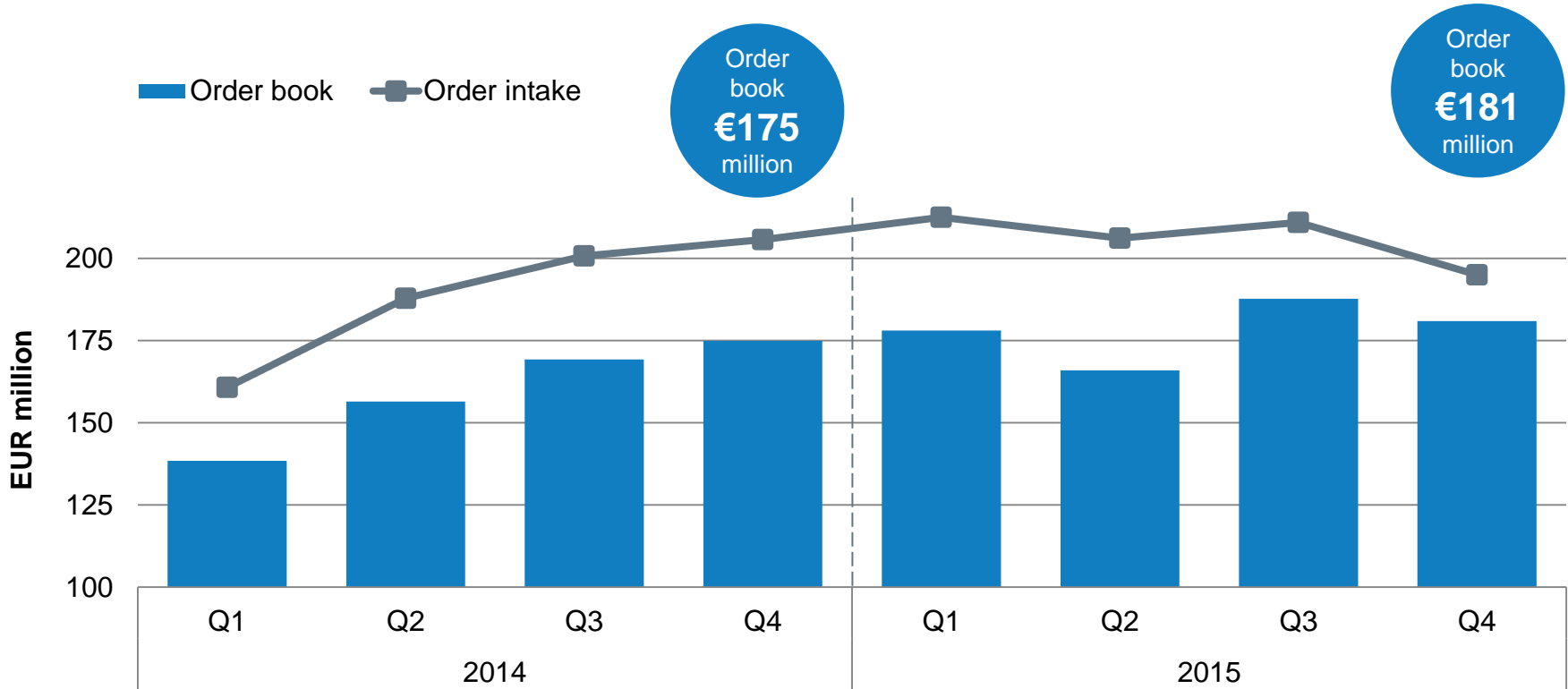


- Revenue of €202 million [Q4 2014: 200m]
 - Good geographical and product mix
- Order intake of €195 million [Q4 2014: 206m]
- Adj. EBIT €22.2 million or 11.0% [Q4 2014: 8.0%]
- Adj. EBITDA €30.0 million or 14.9% [Q4 2014: 14.1%]
- Net result €9.9 million [Q4 2014: 3.0m]
- Earnings per share 1.40 eurocents [Q4 2014: 0.41]

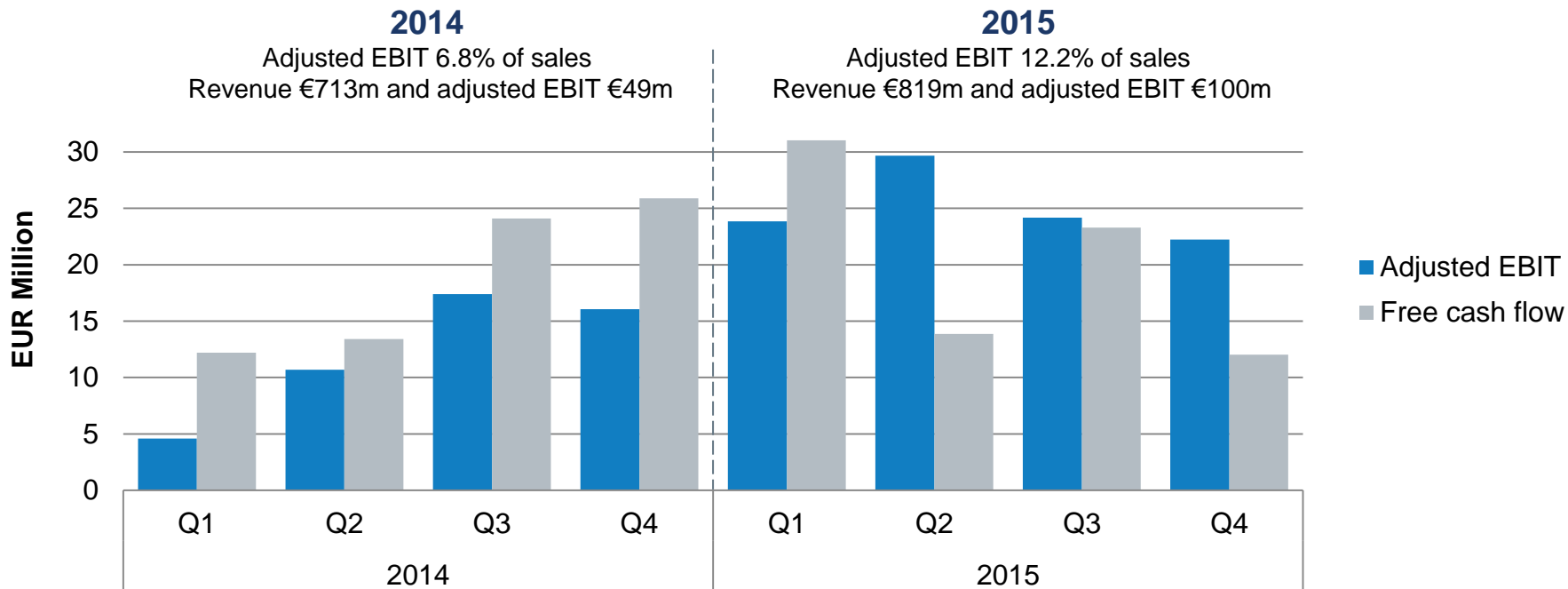


* Adjustments in Q4 consist of €4.3 million in refocusing costs and €3.3 million in acquisition costs

Order book at a good level at the end of 2015



Solid operational performance with strong cash flow



EBITDA improvement and strong cash flow has driven Net Debt / adj. EBITDA down to 1.05 enabling MPS acquisition

Business overview for 2015



Other segments account for 2% of revenue and include acquisition cost and non-recurring items



Poultry

Very strong year for Marel's poultry segment with good volume and profitability.

Good mixture of greenfields, modernization projects, and maintenance business around the globe.

55% of revenue
18.8% adj. EBIT



Fish

Salmon and Whitefish delivering good growth and results while the on-board business is underperforming.

FleXicut continues to impress customers and 4 systems were sold at the back end of 2015

17% of revenue
8.3% adj. EBIT



Meat

Operations gradually improving from previous years.

Result in 2015 fully in line with targets.

Meat after MPS acquisition accounts for 30% of revenue and EBITDA.

14% of revenue
7.4% adj. EBIT



Further Processing

Unacceptable results in 2015 despite improvement in volume and margins at the end of the year.

Further streamlining and investments planned to strengthen Marel's position in further processing of Poultry, Meat and Fish.

12% of revenue
-1.5% adj. EBIT

Linda Jonsdottir, CFO

Full year: Business results



EUR thousands

	FY 2015	FY 2014	Change in %
Revenue	818,602	712,554	14.9
Gross profit before refocusing cost	319,515	255,797	24.9
<i>as a % of revenue</i>	39.0	35.9	
Before refocusing and acquisition costs			
Result from operations (adjusted EBIT)	99,895	48,778	104.8
<i>as a % of revenue</i>	12.2	6.8	
Adjusted EBITDA	135,751	83,666	62.3
<i>as a % of revenue</i>	16.6	11.7	
After refocusing and acquisition costs			
Result from operations (EBIT)	81,613	29,178	179.7
<i>as a % of revenue</i>	10.0	4.1	
EBITDA	120,813	66,698	81.1
<i>as a % of revenue</i>	14.8	9.4	
Net result	56,696	11,731	383.3
Orders received (including service revenues)	824,609	754,996	9.2
Order book	180,887	174,880	3.4

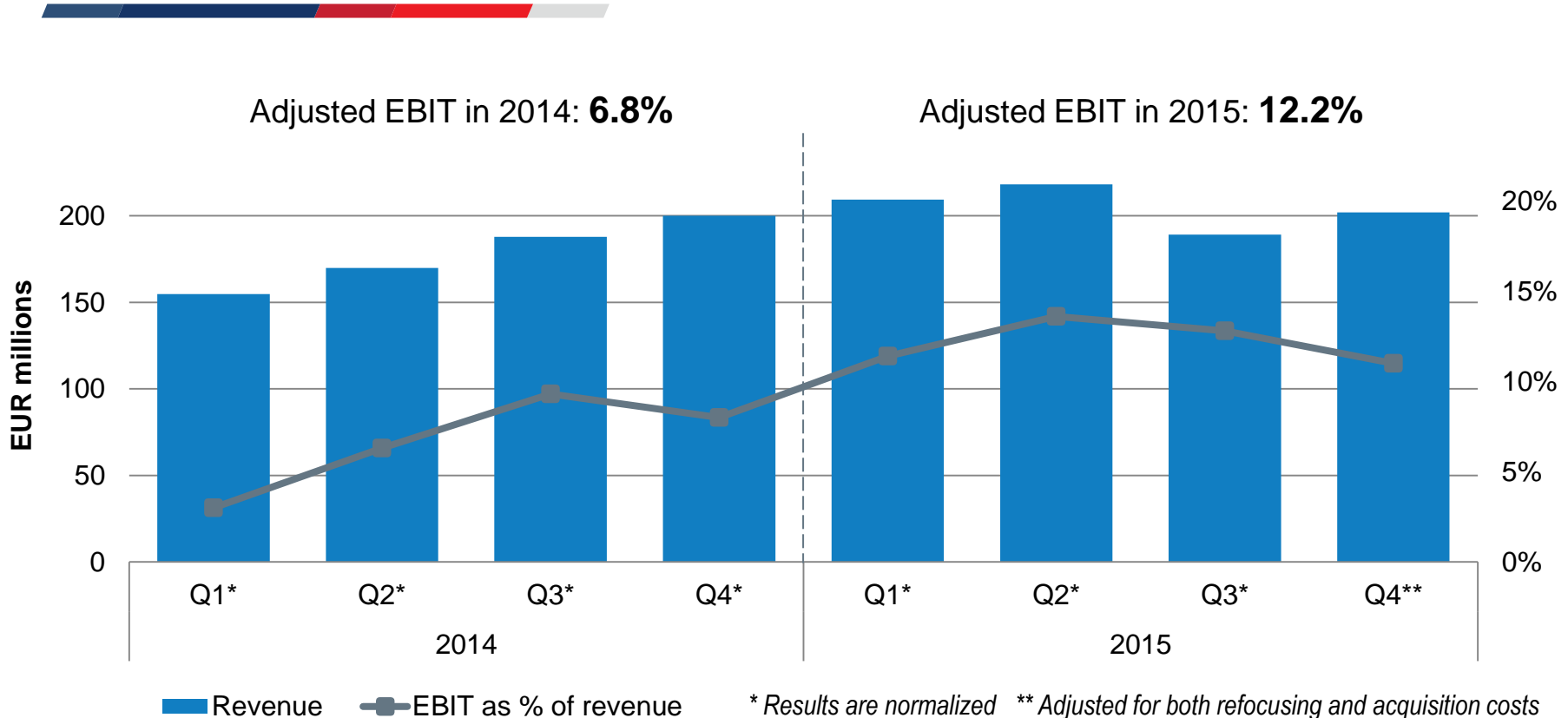
Q4 2015: Business results



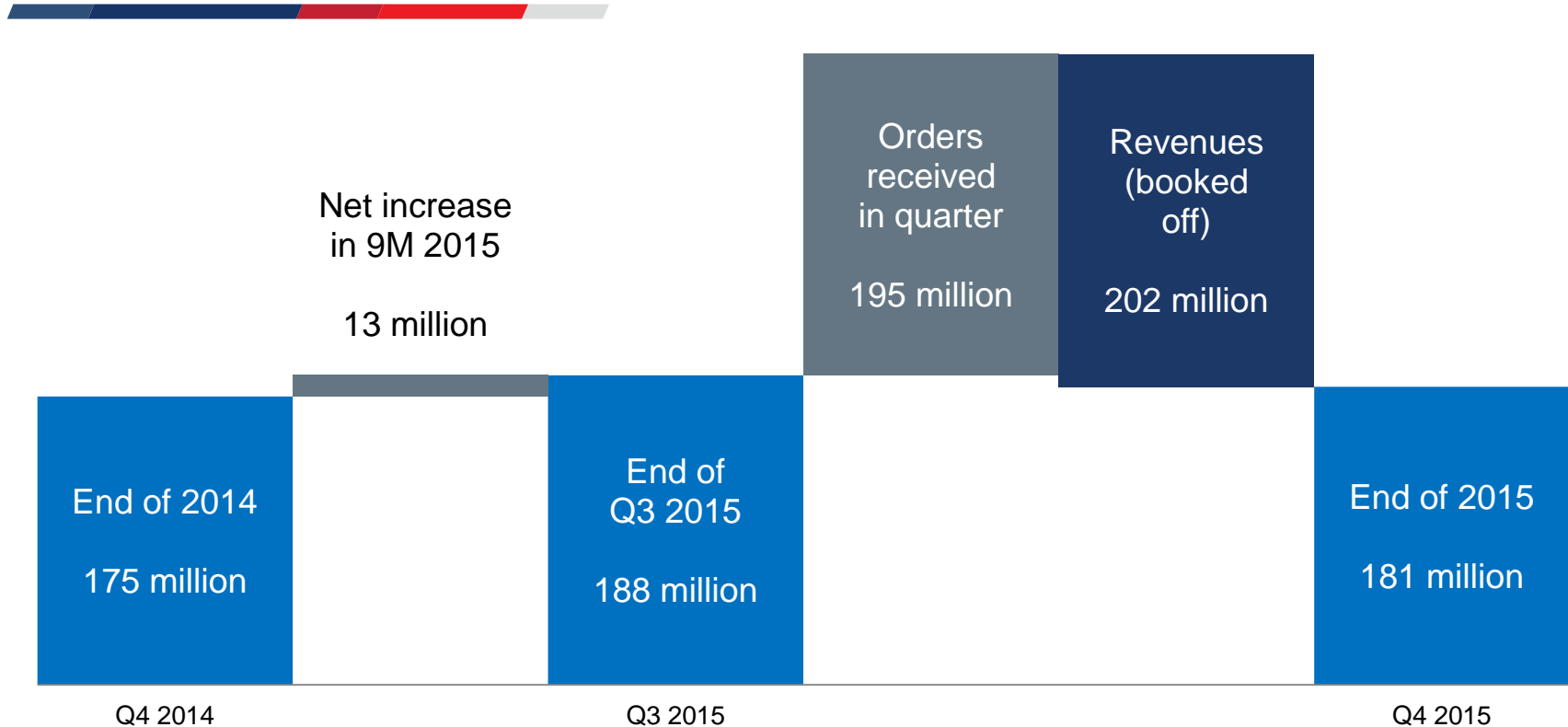
EUR thousands

	Q4 2015	Q4 2014	Change in %
Revenue	201,913	200,018	0.9
Gross profit before refocusing cost	79,864	75,413	5.9
<i>as a % of revenue</i>	39.6	37.7	
Before refocusing and acquisition costs			
Result from operations (adjusted EBIT)	22,233	16,058	38.5
<i>as a % of revenue</i>	11.0	8.0	
Adjusted EBITDA	30,024	28,122	6.8
<i>as a % of revenue</i>	14.9	14.1	
After refocusing and acquisition costs			
Result from operations (EBIT)	14,626	8,493	72.2
<i>as a % of revenue</i>	7.2	4.2	
EBITDA	23,599	20,989	12.4
<i>as a % of revenue</i>	11.7	10.5	
Net result	9,862	2,995	229.3
Orders received (including service revenues)	195,028	205,655	(5.2)
Order book	180,887	174,880	3.4

Firm steps taken to improve profitability



Marel enters 2016 with order book of EUR 181 million



Condensed consolidated balance sheet



ASSETS (EUR thousands)

Non-current assets

	31/12 2015	31/12 2014
Property, plant and equipment	89,005	96,139
Goodwill	389,407	387,103
Other intangible assets	107,018	114,916
Receivables	443	94
Deferred income tax assets	10,029	7,873
	<u>595,902</u>	<u>606,125</u>

Current assets

Inventories	99,382	88,450
Production contracts	17,261	29,123
Trade receivables	99,696	77,125
Assets held for sale	3,799	2,500
Other receivables and prepayments	29,139	23,551
Cash and cash equivalents	92,976	24,566
	<u>342,253</u>	<u>245,315</u>

Total assets

938,155

851,440

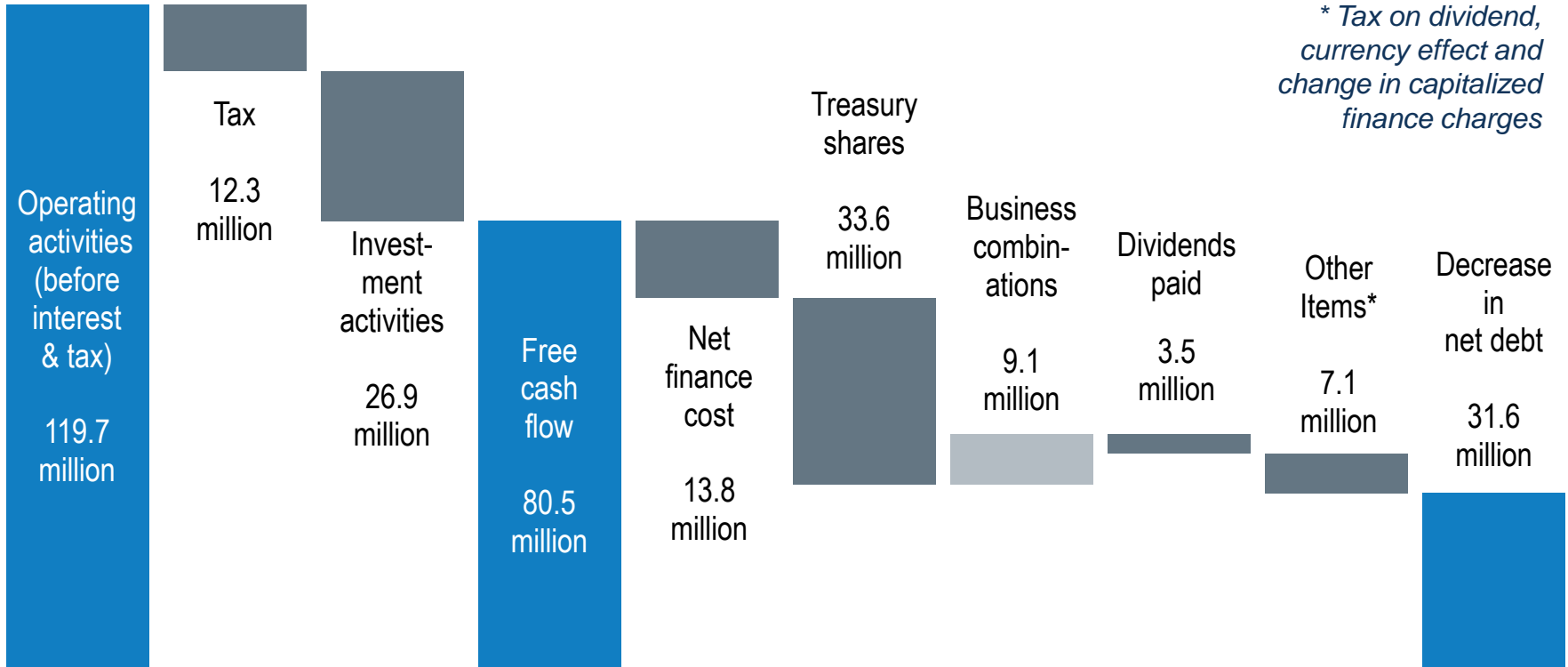
Condensed consolidated balance sheet (continued)



LIABILITIES AND EQUITY *(EUR thousands)*

	31/12 2015	31/12 2014
Equity	446,739	427,498
LIABILITIES		
Non-current liabilities		
Borrowings	217,287	180,278
Deferred income tax liabilities	15,943	11,308
Provisions	6,943	7,292
Derivative financial instruments	3,057	5,399
	<u>243,230</u>	<u>204,277</u>
Current liabilities		
Production contracts.....	78,330	64,958
Trade and other payables	139,227	122,479
Current income tax liabilities	3,221	4,185
Borrowings	18,449	18,635
Provisions	8,959	9,408
	<u>248,186</u>	<u>219,665</u>
Total liabilities	491,416	423,942
Total equity and liabilities	938,155	851,440

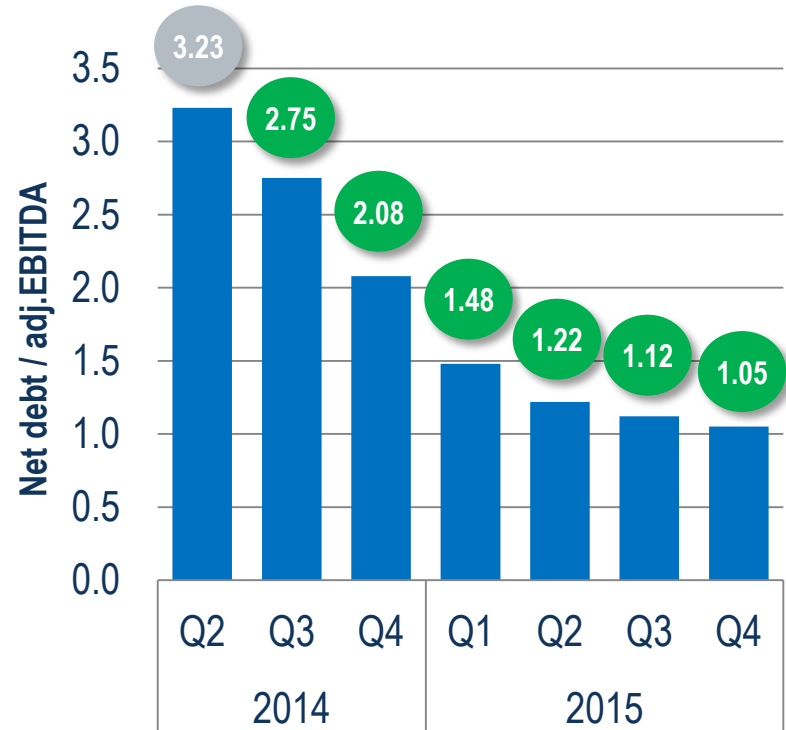
Cash flow composition in 2015 and change in net debt



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

Strong performance and long term financing enabling acquisition of MPS

- Net debt / EBITDA leverage 1.05 at year end
 - Opening leverage after acquisition estimated to be below 3 x Net debt / EBITDA
- Board of Directors proposes to pay out 20% of net profit of 2015 as dividend in line with dividend policy of 20-40%
- Senior long term financing for the whole group
 - Matures in November 2020
 - Interest terms are initially EURIBOR / LIBOR plus a margin of 275 basis points with margin grid depending on leverage
 - ABN Amro Bank, ING Bank and Rabobank bookrunning mandated lead arrangers





Arni Oddur Thordarson, CEO

Simpler, Smarter, Faster successfully concluded



Key objectives

Refocusing of product portfolio, leveraging our strengths, and focus on 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

At the customer for the customer while refocusing

- ✓ Market approach strengthened and product portfolio rationalized - non-core businesses sold or discontinued
- ✓ Manufacturing footprint reduced from 19 to 9 sites leading to higher quality and more agile cost base
- ✓ Revenue increased by 25% in two years while number of employees decreased
- ✓ Adjusted EBIT of 100 million compared to 43 million in 2013
- ✓ Cash out in relation with the program is 16 million compared to an initial target of 20-25 million
- ✓ Simplifying and streamlining the operations was a prerequisite for further organic and acquisitive growth
- ✓ Marel has made strategic investments in innovation and IT-platforms to further advance the business

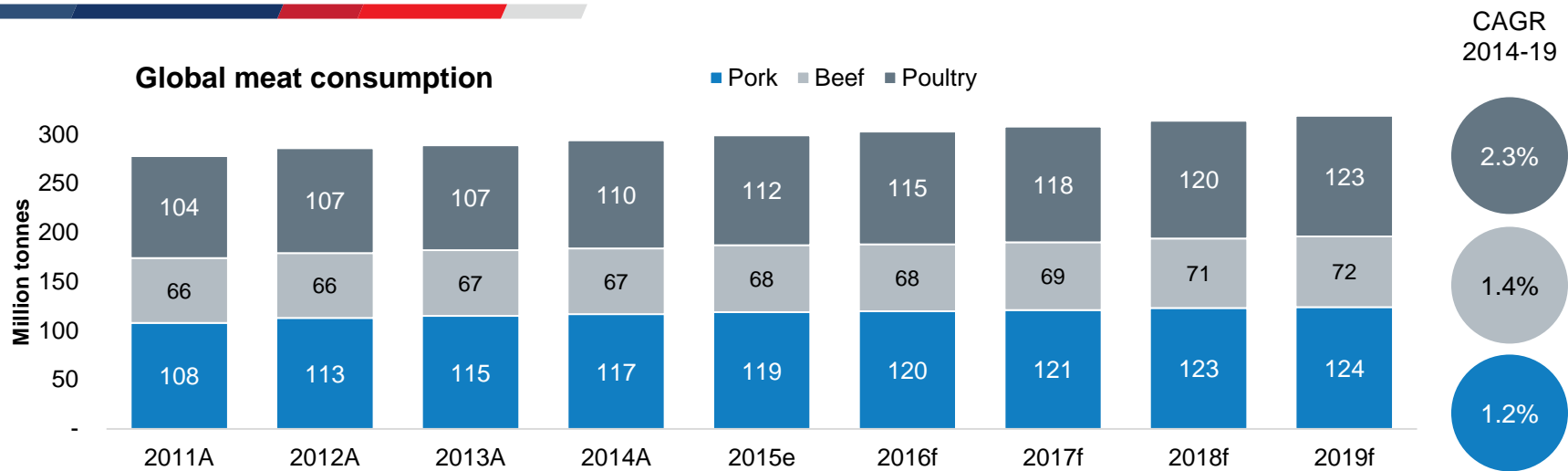
MPS acquisition – strategic and cultural fit



- Marel becomes a full line supplier in meat with the acquisition of MPS
- MPS and Marel are long term partners in the field
- Complementary geographical presence and product portfolio leads to increased economies of scale and cross selling opportunities
- Better serving the customer needs and adding value to our customers
- MPS has strong management and highly skilled employees with long tenure



Large market with great growth potential

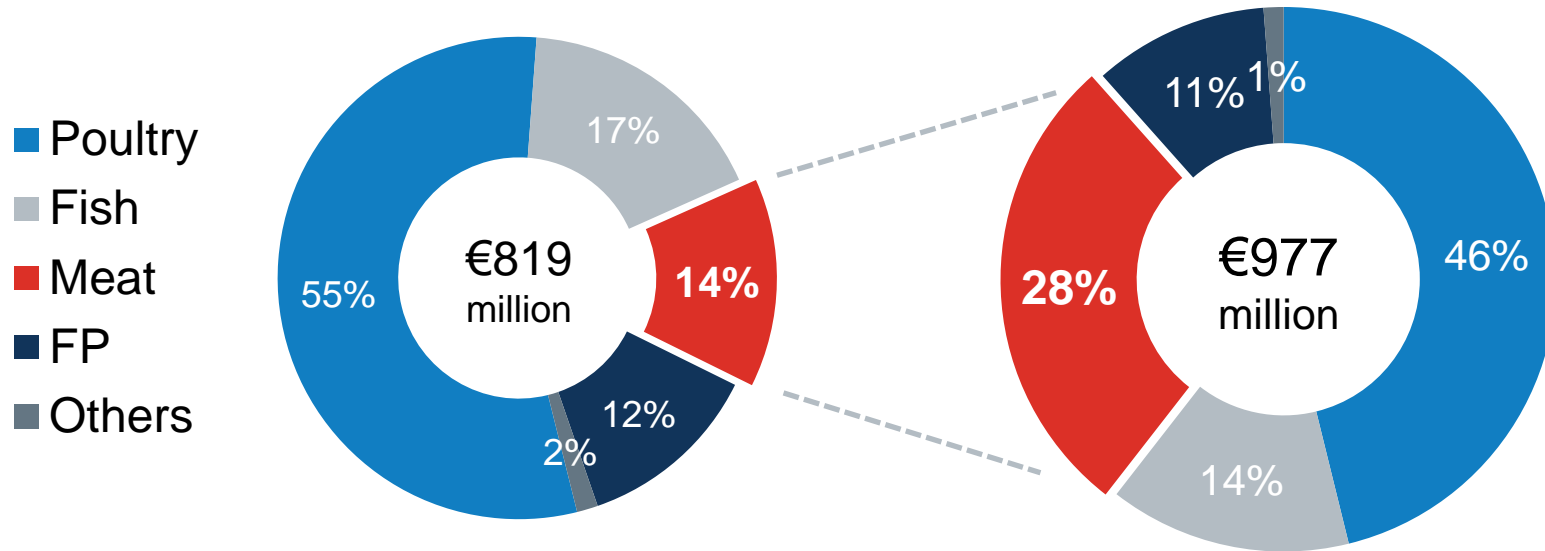


- Pork consumption growing globally – China represents roughly half of the consumption
- Commercialization of primary processing of pork is at a relatively high level in developed markets
 - Still at a relatively low level in China and Russia (estimated at 45% and 74% respectively)
- Poultry continues to be the main growth driver of meat consumption, especially due to its low price

Revenue by business segment pre and post acquisition

Pre- acquisition (2015)

Pro-forma post acquisition (2015)



Strong manufacturing platform for full potential



Multi-industrial
manufacturing
sites

Specialized
manufacturing

MPS manufacturing

Key pro-forma figures of Marel and MPS



FY 2015*	Marel	MPS	Marel + MPS
Order intake	€825 million	€190 million	> €1.0 billion
Revenue	€819 million	€158 million	€977 million
Adjusted EBIT	€100 million	€33 million	€133 million
Employees	3,900	700	4,600

* Based on audited Marel numbers and preliminary unaudited MPS numbers (based on Dutch GAAP)

Simpler, Smarter, Faster: 2014-2015

MPS

Guidance 2016

Product portfolio optimized



At the customer, for the customer

After a period of strong growth, management expects modest organic revenue and EBIT growth in 2016 compared to 2015 on a pro forma basis, before purchase price allocation adjustments

Manufacturing footprint optimized

2014

2015

MPS

Pro forma 2015

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

Revenue growth 15%
Adj. EBIT €99.9m
Free cash flow €80.5m

Revenue €977m
Adj. EBIT €133m
Order book €320m

Cash-out cost to date €16 million compared to estimated total cash-out cost of below €20-25 million throughout the program



Thank you
Takk fyrir
Dank u wel
Mange tak

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