

Q1 2013 investor meeting

Theo Hoen, CEO

Erik Kaman, CFO

23 April 2013



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POULTRY PROCESSING

TOWNSEND
FURTHER PROCESSING

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Theo Hoen

CEO

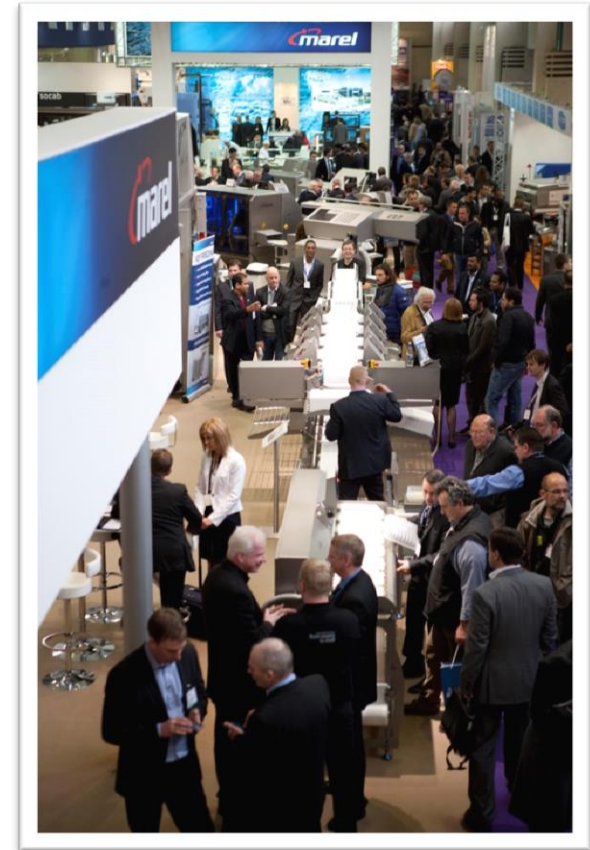


- 1** Introduction
- 2** Financial results
- 3** Outlook



Slow start of the year but orders received picking up

- Revenues reflecting low level of order book at start of the year
- EBIT margin below target level
 - Long term target 10-12%
- Order book grew by more than 25 million
 - Supports expectation of higher revenues and profitability in the second half of the year
- Important sales in markets such as:
 - Brazil, China, Middle East and Russia
- Europe remains challenging while USA shows signs of recovery



Seafood Processing Europe trade show in Brussels opens today with Marel showcasing a wide range of industry leading equipment, designed to meet today's food processing challenges

Erik Kaman

CFO



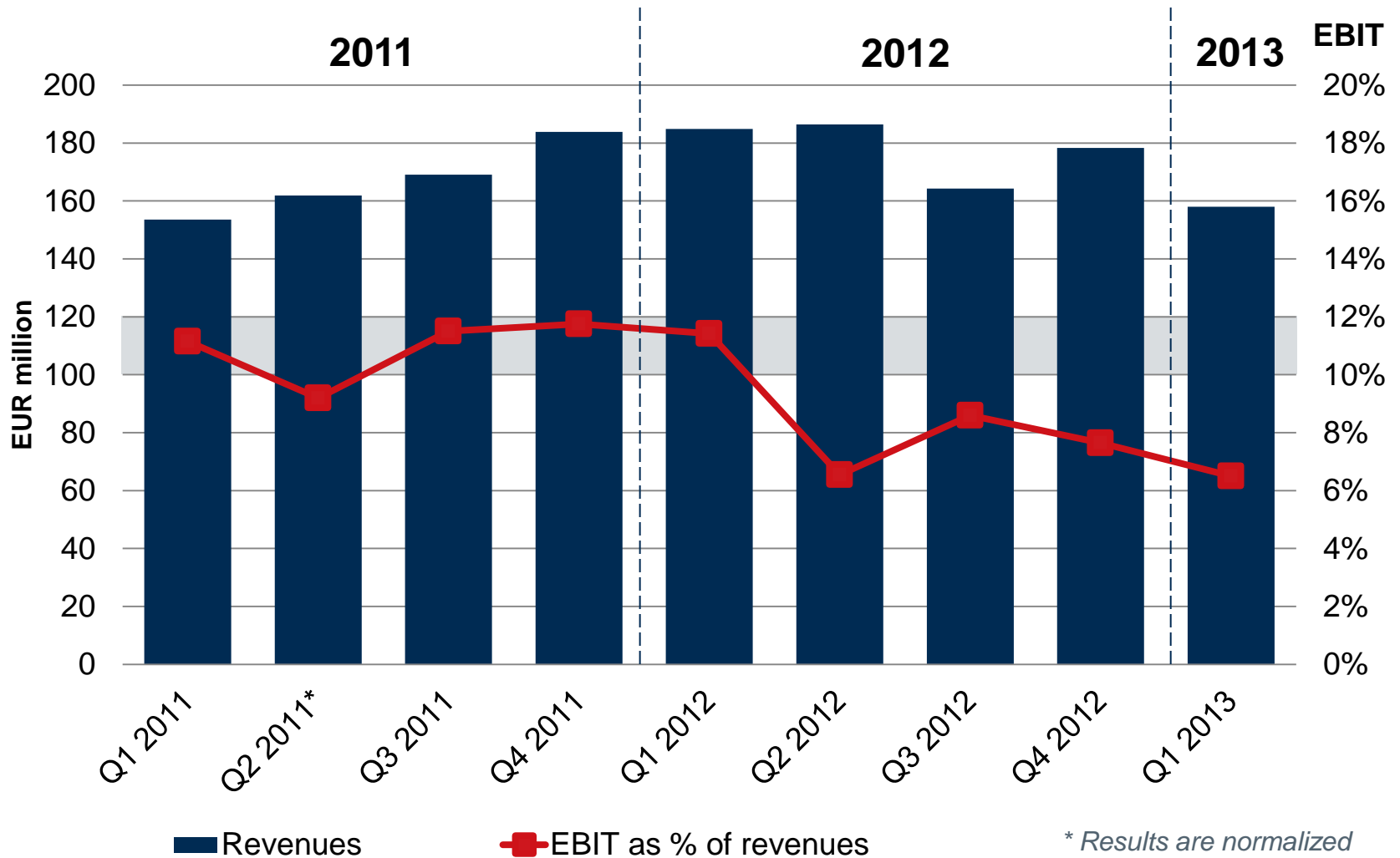
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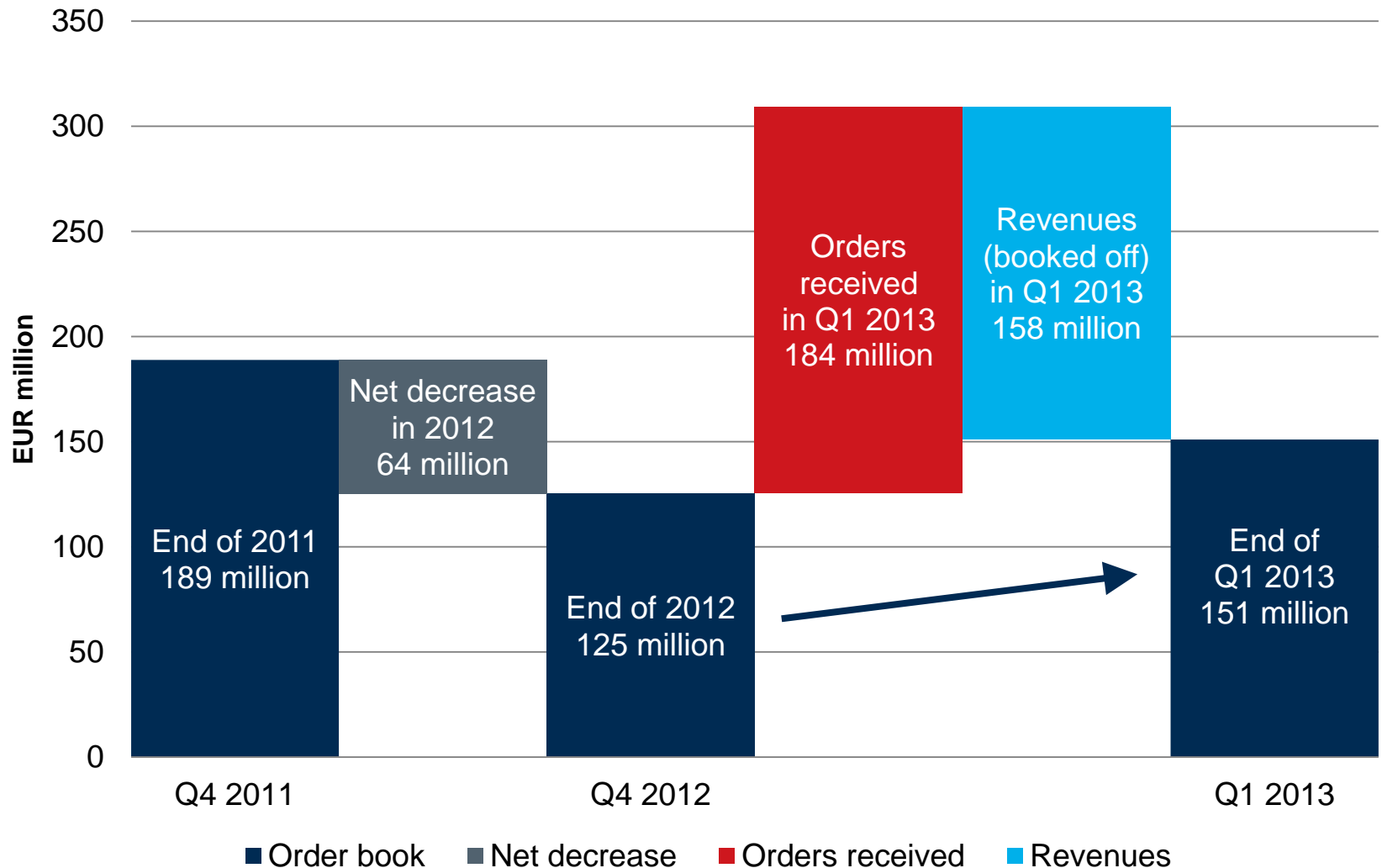
Business results

<i>EUR thousands</i>	Q1 2013	Q1 2012	Change in %
Revenues	158,028	184,864	(14.5)%
Gross profit	57,509	67,992	(15.4)%
<i>as a % of revenues</i>	36.4	36.8	
Result from operations (EBIT)	10,331	21,119	(51.1)%
<i>as a % of revenues</i>	6.5	11.4	
EBITDA	16,858	27,401	(38.5)%
<i>as a % of revenues</i>	10.7	14.8	
Orders received (including service revenues)	183,745	185,420	(0.9)%
Order book	151,106	189,410	(20.2)%

Development of business results



Order book back on a good level



Condensed consolidated balance sheet

ASSETS

EUR thousands

Non-current assets

	31/03 2013	31/12 2012
Property, plant and equipment	107,491	108,034
Goodwill	380,328	379,984
Other intangible assets	115,189	112,779
Receivables	1,218	2,584
Deferred income tax assets	8,487	7,988
	<u>612,713</u>	<u>611,369</u>

Current assets

Inventories	102,498	99,178
Production contracts	39,528	40,163
Trade receivables	79,391	70,816
Other receivables and prepayments	33,513	27,657
Cash and cash equivalents	14,726	15,945
	<u>269,656</u>	<u>253,759</u>

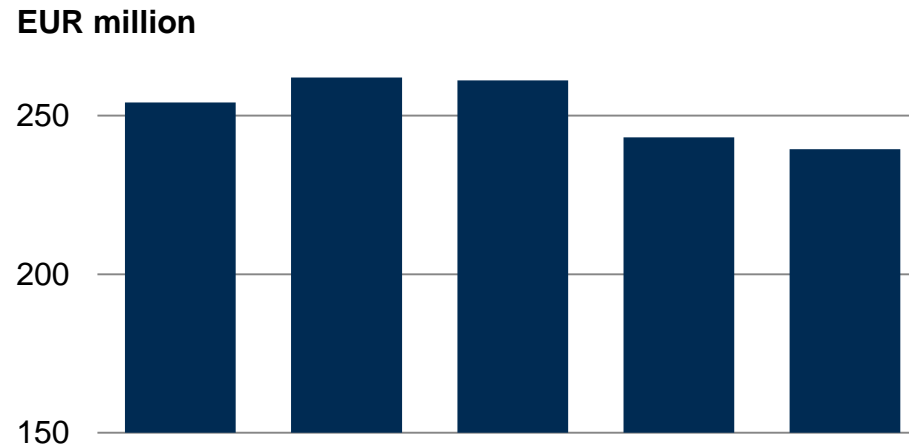
Total assets

882,369	865,128
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Condensed consolidated balance sheet (continued)

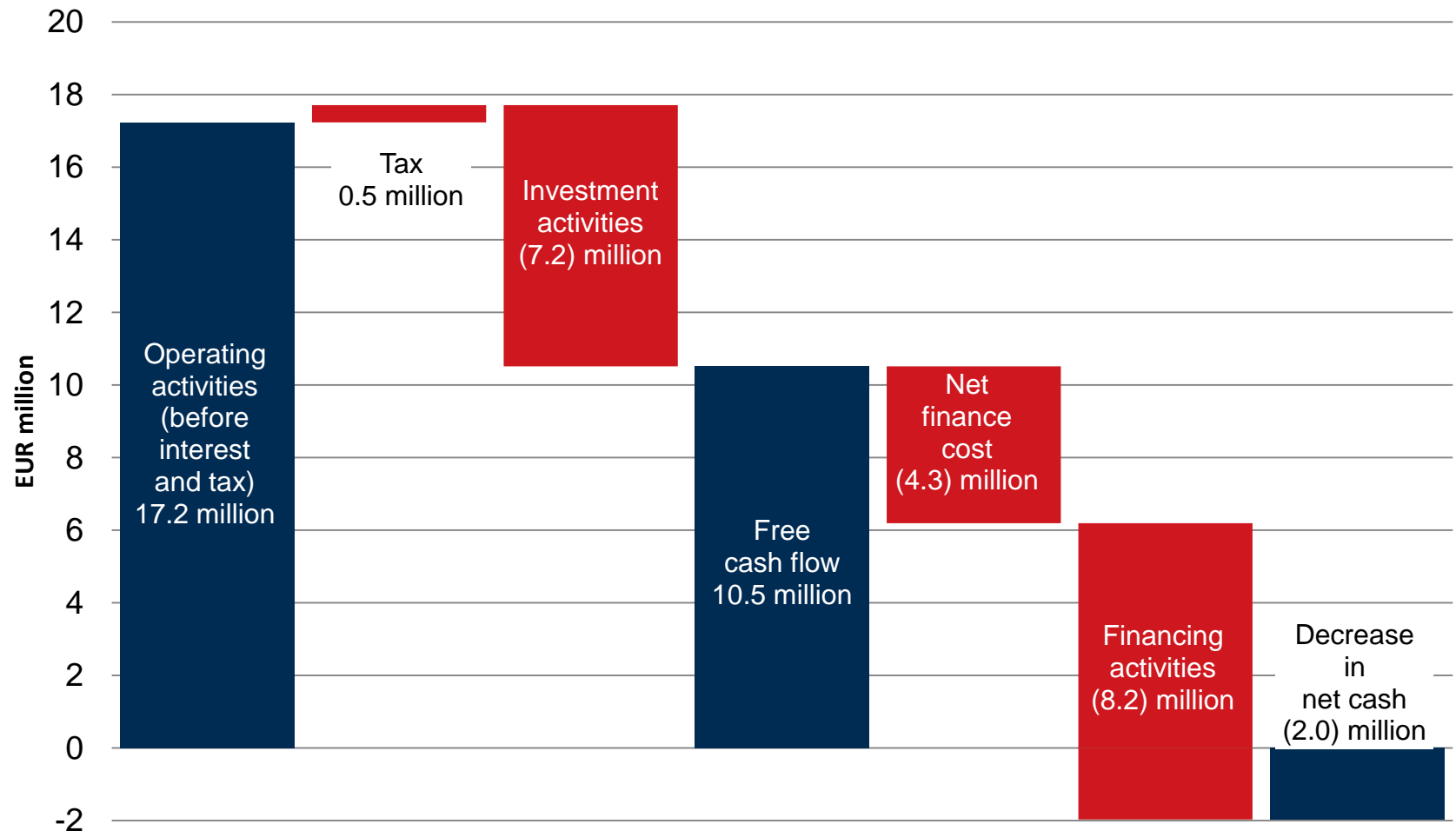
EQUITY	31/03 2013	31/12 2012
<i>EUR thousands</i>		
Total equity	403,214	403,748
LIABILITIES		
Non-current liabilities		
Borrowings	234,650	239,747
Deferred income tax liabilities	11,304	11,194
Provisions	4,948	4,941
Derivative financial instruments	10,328	10,815
	<u>261,230</u>	<u>266,697</u>
Current liabilities		
Production contracts.....	54,909	43,847
Trade and other payables	136,474	125,417
Current income tax liabilities	4,320	3,090
Borrowings	19,416	19,440
Provisions	2,806	2,889
	<u>217,925</u>	<u>194,683</u>
Total liabilities	479,155	461,380
Total equity and liabilities	<u>882,369</u>	<u>865,128</u>

Net interest bearing debt reduced by EUR 4 million in Q1 2013



End of quarter in EUR million	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Change since Q1 2012
Non-current borrowings	267.0	262.8	255.0	239.7	234.6	(32.4)
Current borrowings	19.4	19.5	19.5	19.4	19.4	(0.0)
Total borrowings	286.4	282.3	274.5	259.1	254.0	(32.4)
Cash and equivalents	32.2	20.3	13.4	15.9	14.7	(17.5)
Net interest bearing debt	254.2	262.0	261.1	243.2	239.3	(14.9)

Q1 2013 cash flow composition



Financial focus areas

- Improving *gross profit*
 - Procurement
 - Production cost
 - Operational processes
- Ensuring a sustainable *SG&A cost base* despite growth in activity
 - 2011: 20.0%
 - 2012: 20.6%
 - Q1 2012: 19.8%
 - Q1 2013: 22.8%
- Improving *working capital* parameters
 - Inventory turn rate (ITR)
 - Days sales outstanding (DSO)
 - Days payable outstanding (DPO)



The I-Cut 55 is designed for the accurate high-speed portion cutting of boneless meat products, such as beef, pork, veal and lamb

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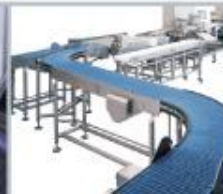
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Poultry: Significant improvement in Q1

- Considerable increase in order intake between quarters
- Substantial orders from China, Brazil, Middle East and Russia
- Highlights of the quarter:
 - New Intelligent reporting, inspection and selection (IRIS) solution successfully released
 - AeroScalder received another award at the Agrame exhibition in Dubai
 - Substantial sales of the StreamLine Poultry concept
 - Major order of 8" Eviscerating lines for heavy broilers



IRIS – The new Intelligent reporting, inspection and selection solution uses shape, colour and texture to detect defects such as broken wings, red and blue bruises, faecal stains, remaining feathers and skin damage

Fish: Challenging market conditions in the global fish industry

- Decisions on capital investments are taking longer
- Long term outlook is positive
- The 12th annual Marel Salmon ShowHow in February
 - Attracted 230 guests from 28 countries
- Highlights of the quarter:
 - Increased efficiency in project execution proven in large and complex projects for the Norwegian Salmon industry
 - Great interest in the new retail pack slicer I-slice 3300



The new retail pack slicer, I-Slice 3300 sets new standards in utilization and extremely high accuracy on weight and count

Meat: Slow start in Q1

- Slow start mainly due to continued market and economic uncertainty
- Pipeline of projects is growing steadily
 - Projects expected to be realized within the coming months
- Increased activity in Europe and US, improvement from 2012
- Highlights of the quarter:
 - Good orders from Ireland for the new Trim Management Systems
 - Large orders from Japan for numerous portioning machines



The new Deboflex system is a groundbreaking logistical solution that makes deboning and cutting pork fore-ends more efficient. The Deboflex will be launched at the IFFA in May

Further processing: Important QX lines installed in Europe and US

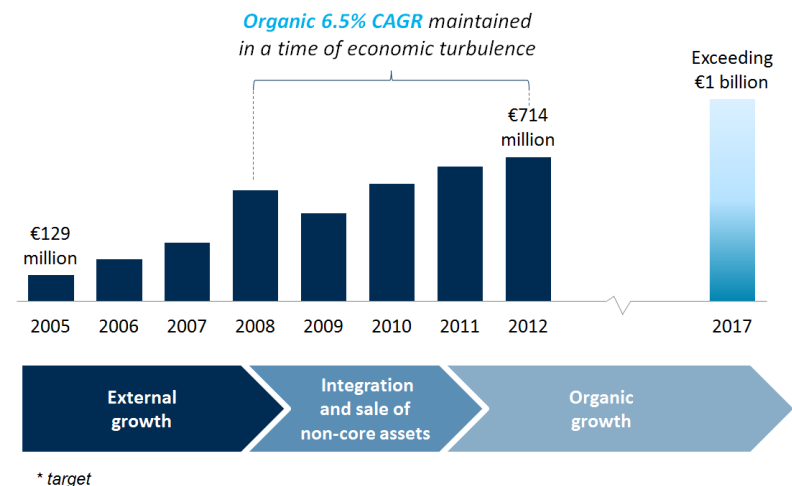
- Sales of the RevoPortioner were high
 - Trend for installations of full lines continued
- The new innovative ModularOven gaining further popularity
- Two successful events in Q1:
 - The Fresh Event in February
 - The Finger Food Event in March
- Highlights of the quarter:
 - Number of QX lines installed in Europe and USA



The ModularOven– consists of two towers with separate controls for temperature, dew point and air speed, which offer the desired variable functionality for steaming, cooking or roasting in two completely separated cooking environments

Outlook: Moderate growth in 2013

- Moderate growth in 2013
 - Assuming recovery in established markets in the second half of the year
- EBIT margin expected to back on track in the second half of the year
 - With increased sales of standard equipment and focus on operational excellence
- Strong order intake in Q1
 - 20% growth in order book
- Mid and long-term, the Company believes that Marel's innovative products and global presence in all industries will stimulate strong growth and increase profitability



Q & A

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Erik Kaman, CFO



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Thank you / Dank u wel / Mange tak / Takk fyrir

