



Q4 and full year 2016 presentation

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February 9, 2017



Q4 2016: Order intake at all time high



- Revenue of €250 million
 - Q4 2015: 202m, pro forma 249m
- Order intake of €295 million
 - Q4 2015: 195m, pro forma 265m
- Order book €350 million
 - Q4 2015: 181m, pro forma 320m
- EBIT* €35.1 million or 14.0%
 - Adj. EBIT** Q4 2015: 11.0%, pro forma 14.0%
- EPS 3.15 euro cents
 - Q4 2015: 1.40



**Adjustments in Q4 2016 consist of a €6.7 million amortization of acquisition-related intangible assets (PPA)*

*** Adjusted for refocusing cost related to the refocusing program Simpler, Smarter, Faster, and acquisition costs.*

Pro forma 2016: Solid performance with 14.6% EBIT*



- Revenue of €983 million
 - 2015: 819m, pro forma 976m
- Order intake of €1,013 million
 - 2015: 825m, pro forma 1,015m
- Order book €350 million
 - 2015: 181m, pro forma 320m
- EBIT* €143 million or 14.6%
 - Adj. EBIT** 2015: 12.2%, pro forma 13.7%
- Earnings per share increase by 34%
 - 2016: 10.59 euro cents [2015: 7.93]



**Adjustments in 2016 consist of a €24.6 million amortization of acquisition-related intangible assets (PPA)*

*** Adjusted for refocusing cost related to the refocusing program Simpler, Smarter, Faster, and acquisition costs.*

Pro forma: Business overview for the full year of 2016



POULTRY

Solid operational profit margins and strong volume with Good geographic and product mix

Record order intake in Q4 with landmark Greenfield project secured in S-Korea and various other projects around the globe

52% of revenue
16.6% EBIT margin



MEAT

Strong operational performance in 2016

Integration on track, front-end sales team unified and MPS now fully under the Marel brand

In Q4 large sales secured in Europe, U.S. and S-America

34% of revenue
15.6% EBIT* margin



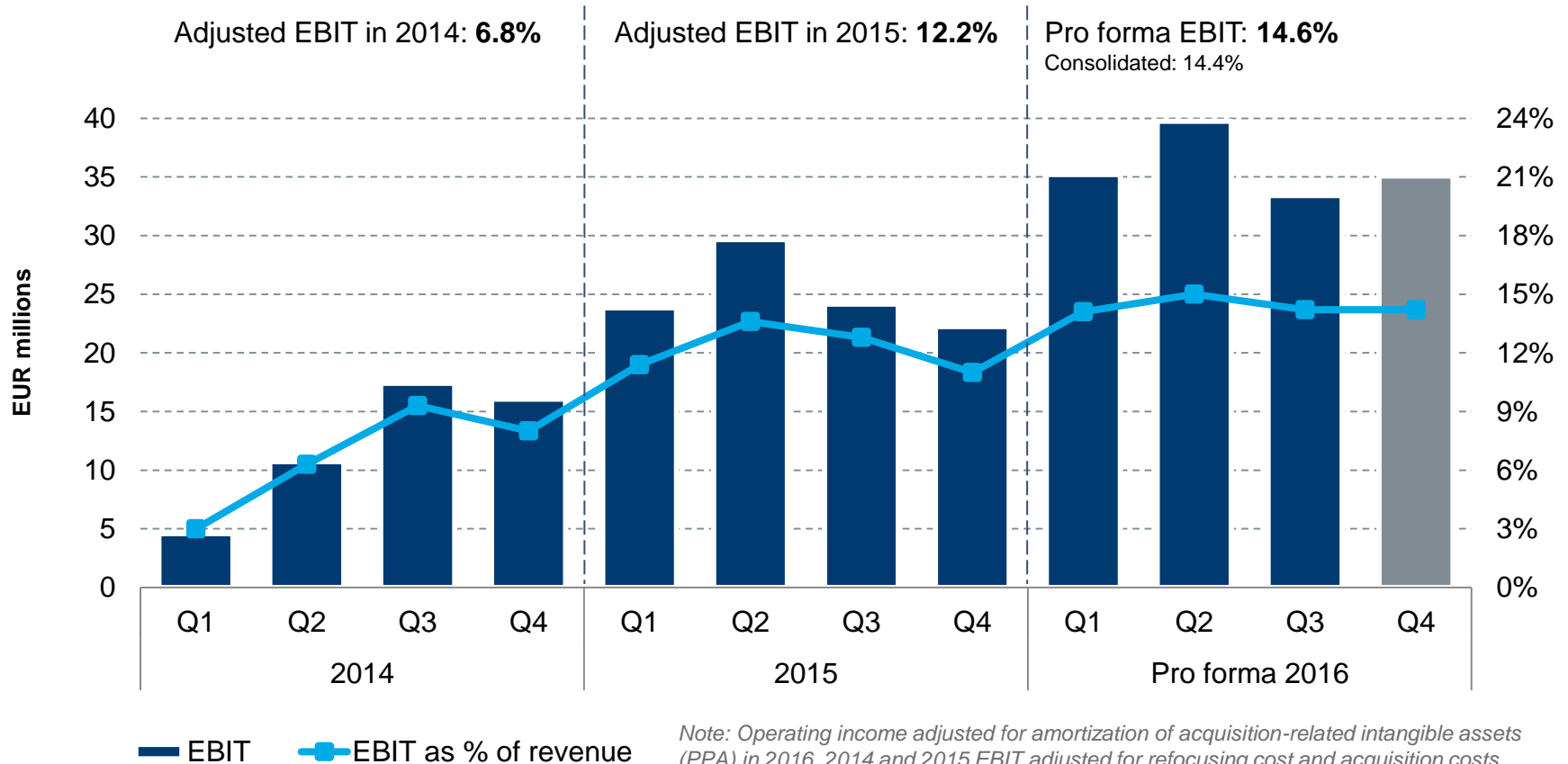
FISH

Onboard business in Seattle streamlined and focus shifted to high-tech innovative solutions.

Record order intake in Q4 after soft start of the year. Landmark project in Norway and various other projects in S-America, N-America and Europe

13% of revenue
3.1% EBIT margin

On track towards best in class profitability



Note: Operating income adjusted for amortization of acquisition-related intangible assets (PPA) in 2016. 2014 and 2015 EBIT adjusted for refocusing cost and acquisition costs.



Consolidated accounts

Consolidated: Fourth quarter financial results



<i>EUR thousands</i>	Q4 2016	Q4 2015	Change in %
Revenue	250,026	201,913	23.8
Gross profit	101,183	79,864	26.7
<i>as a % of revenue</i>	40.5	39.6	
Before PPA			
Result from operations (EBIT)	35,087	22,233**	57.8
<i>as a % of revenue</i>	14.0	11.0	
EBITDA	47,349	30,024**	57.7
<i>as a % of revenue</i>	18.9	14.9	
After PPA			
Result from operations (EBIT)	28,382	14,626	94.1
<i>as a % of revenue</i>	11.4	7.2	
EBITDA	47,349	23,599	72.2
<i>as a % of revenue</i>	18.9	11.7	
Net result	22,636	9,862	129.5

** Results are adjusted for refocusing costs related to the refocusing program *Simpler, Smarter, Faster*, and acquisition costs.

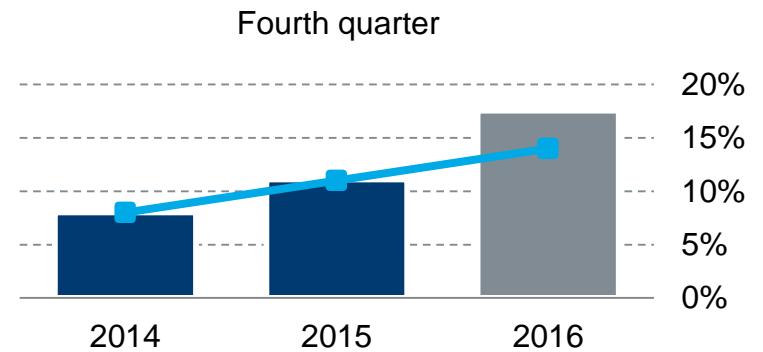
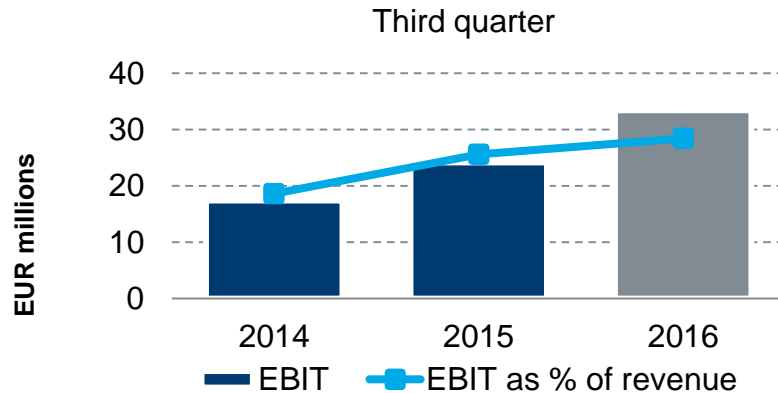
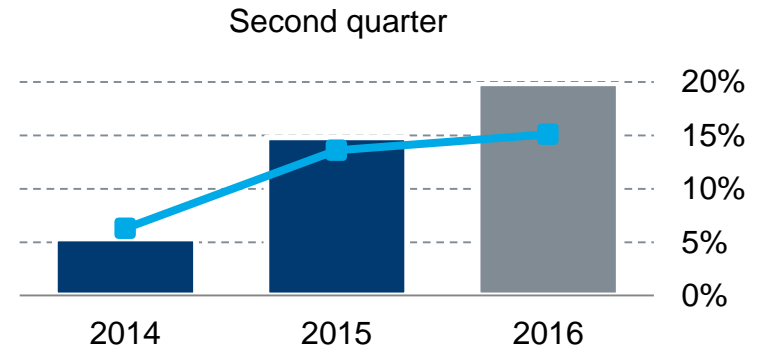
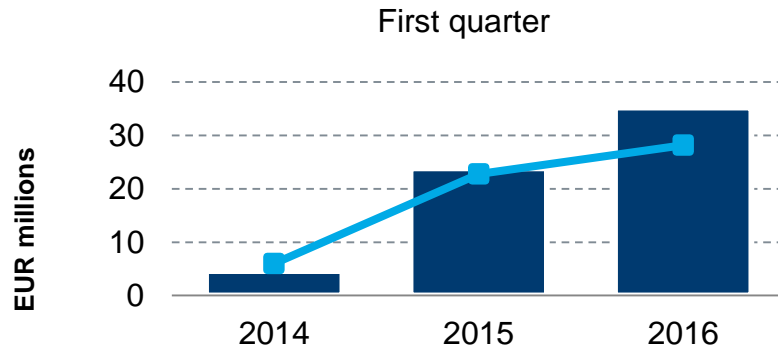
Consolidated: Full year financial results



<i>EUR thousands</i>	FY 2016	FY 2015	Change in %
Revenue	969,671	818,602	18.5
Gross profit	397,008	319,515	24.3
<i>as a % of revenue</i>	40.9	39.0	
Before PPA			
Result from operations (EBIT)	139,361	99,895**	39.5
<i>as a % of revenue</i>	14.4	12.2	
EBITDA	175,440	135,751**	29.2
<i>as a % of revenue</i>	18.1	16.6	
After PPA			
Result from operations (EBIT)	114,776	81,613	40.6
<i>as a % of revenue</i>	11.8	10.0	
EBITDA	175,440	120,813	45.2
<i>as a % of revenue</i>	18.1	14.8	
Net result	75,844	56,696	33.8

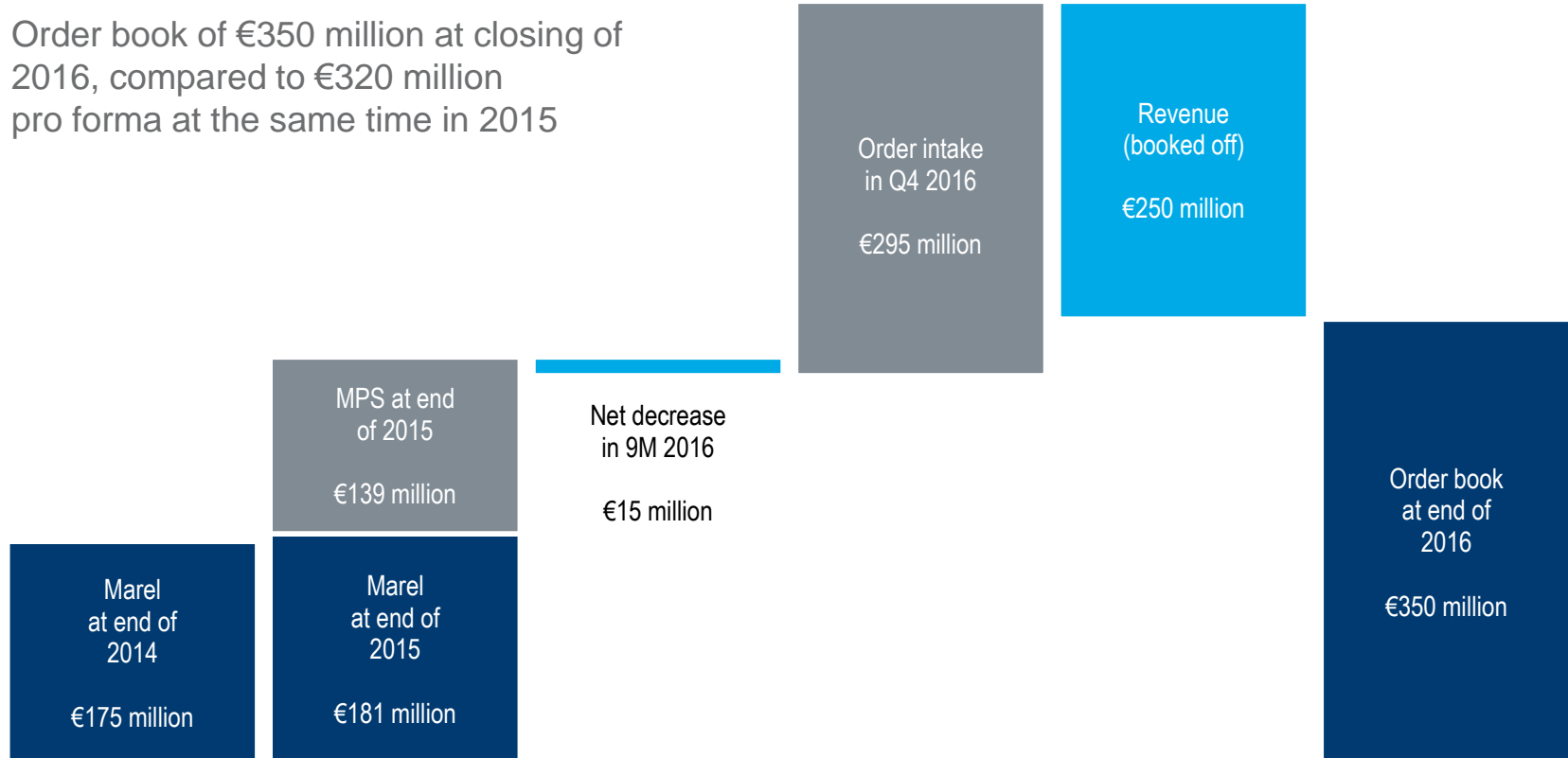
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Development of quarterly EBIT in the last three years



Entering 2017 with a strong order book

- Order book of €350 million at closing of 2016, compared to €320 million pro forma at the same time in 2015



Consolidated: Balance sheet



ASSETS (EUR thousands)

Non-current assets

Property, plant and equipment	118,991	89,005
Goodwill	635,180	389,407
Other intangible assets	277,458	107,018
Trade receivables	237	443
Derivative financial instruments	447	-
Deferred income tax assets	7,343	10,029
	<hr/>	<hr/>
	1,039,656	595,902

Current assets

Inventories	122,250	99,382
Production contracts	36,962	17,261
Trade receivables	115,259	99,696
Assets held for sale	-	3,799
Other receivables and prepayments	32,723	29,139
Derivative financial instruments	55	-
Cash and cash equivalents	45,523	92,976
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	352,772	342,253

Total assets

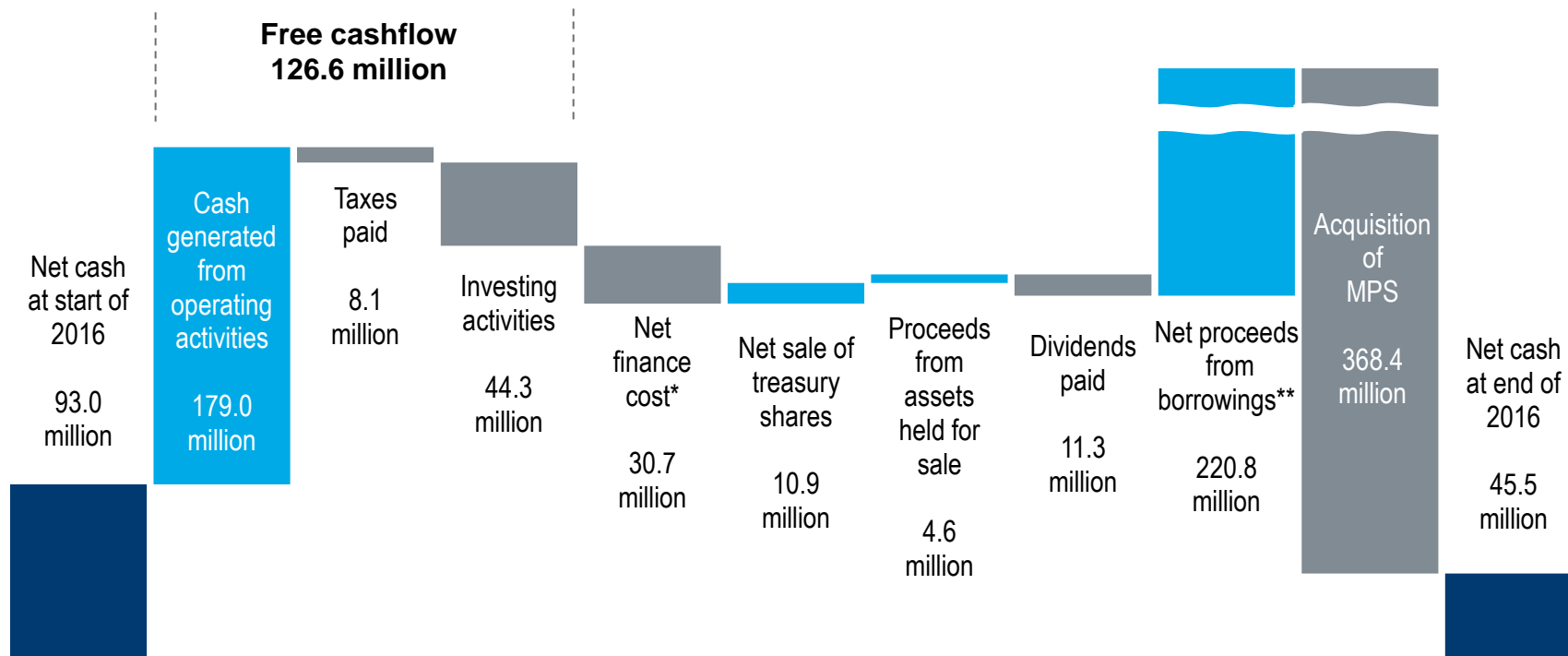
	31/12 2016	31/12 2015
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	1,392,428	938,155
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Consolidated: Balance sheet



EQUITY AND LIABILITIES <i>(EUR thousands)</i>	31/12 2016	31/12 2015
Group equity	525,573	446,739
LIABILITIES		
Non-current liabilities		
Borrowings	425,014	217,287
Deferred income tax liabilities	63,458	15,943
Provisions	7,361	6,943
Derivative financial instruments	4,946	3,057
	<hr/> 500,779	<hr/> 243,230
Current liabilities		
Production contracts.....	150,769	78,330
Trade and other payables	168,980	139,227
Current income tax liabilities	9,081	3,221
Borrowings	24,117	18,449
Provisions	13,129	8,959
	<hr/> 366,076	<hr/> 248,186
Total liabilities	866,855	491,416
Total equity and liabilities	<u>1,392,428</u>	<u>938,155</u>

Cash flow composition in 2016 and change in net cash



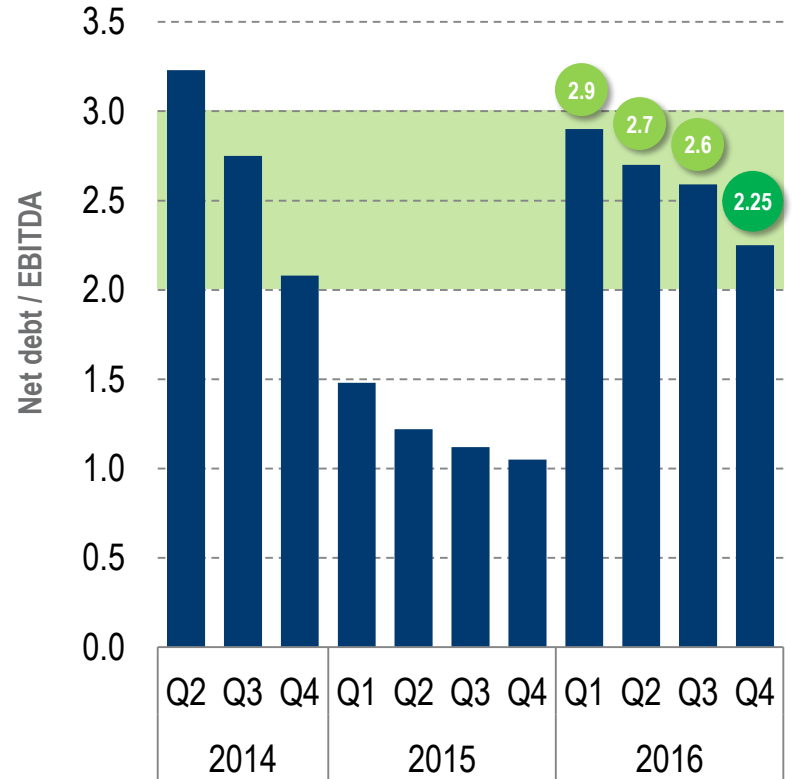
* Including one-off cost related to repayment of junior facility 2.4 million and exchange differences on net cash.

** Net proceeds from new 670 million facility net of capitalized fees, related to borrowings.

Marel generating a healthy cash flow



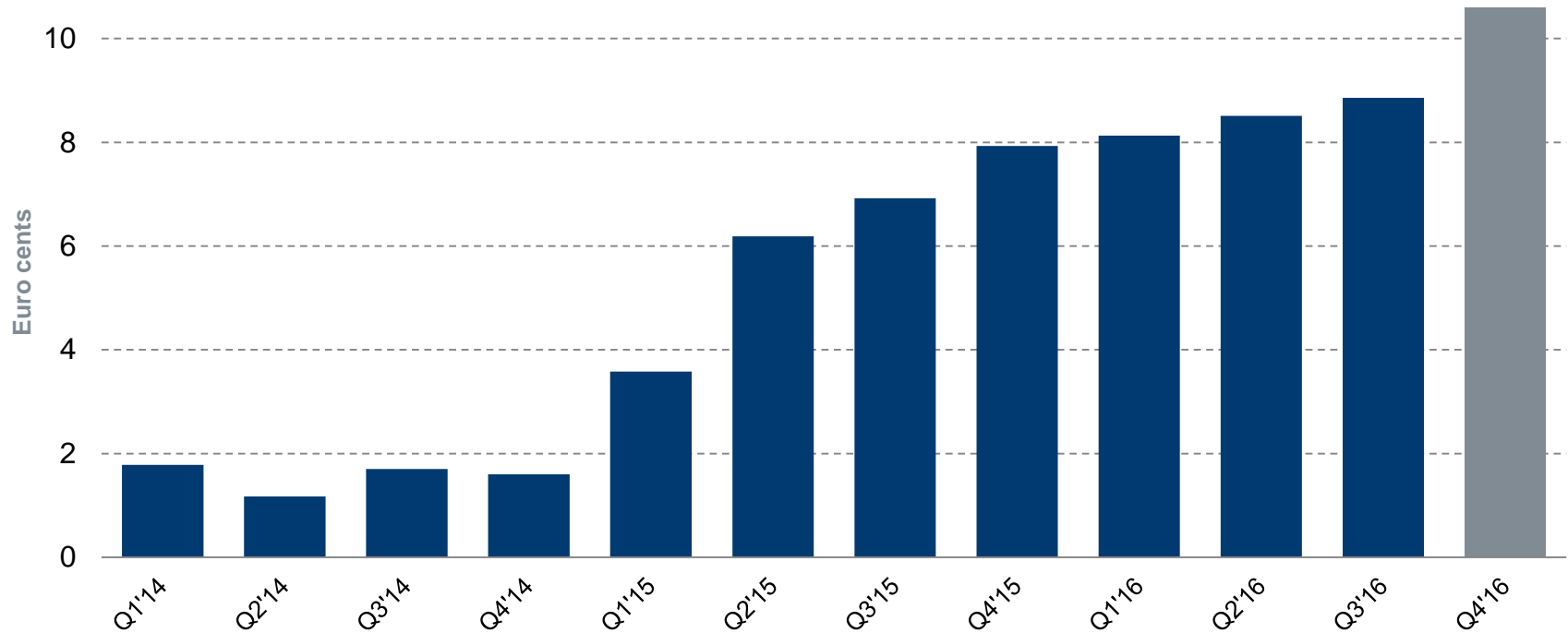
- Net debt / EBITDA leverage of 2.25 at end of the quarter
 - Acquisition of MPS completed within the targeted capital structure with senior loans without issuing any new shares
- Board of Directors
 - Proposes to AGM to pay out 20% of net profit of 2016 as dividend in line with dividend policy of 20-40%
 - Has authorized management to purchase own shares in 2017 for up to a value of 15 million to be used as payment for potential future acquisitions
- Marel is stimulating further revenue and operational profit growth by:
 - Streamlining the business
 - Continuous innovation
 - Investing in the business



Earnings per share increased by 34% in 2016



EPS, trailing twelve months





Business & Outlook

**ADVANCING
FOOD PROCESSING**



Changes in Executive Team



David Wilson

- Managing Director (EVP) of Meat as of April 1, 2017
- With Marel and its predecessors since 1998
- Previously Managing Director of Further Processing, and Manager of Marel Meat secondary processing business unit, where he led a turnaround of the business
- On Marel's Executive Team since 2013



Jesper Hjortshøj

- Managing Director (EVP) of Further Processing as of February 8, 2017
- With Marel since 2006
- Previously Marketing Manager, Product Center Manager for Multibatching and Manager of Strategy and Portfolio for Global Innovation, where he played a key role in streamlining Marel's innovation portfolio

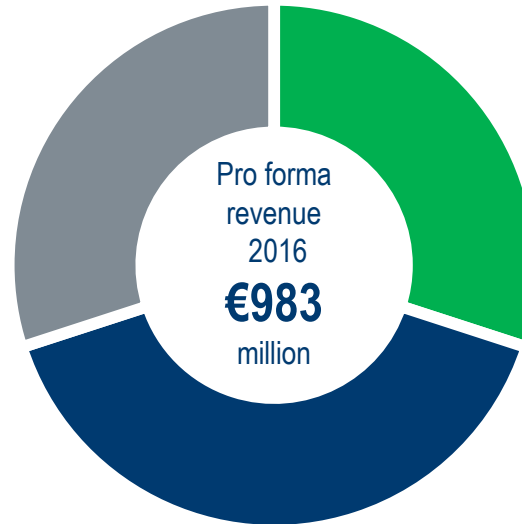


Strong business model supporting future growth



Modernization and standard equipment ►

- Good volume in standard equipment across all industries and geographies throughout the year



◀ Greenfields

- Landmark Greenfield projects secured in Europe, South-America, North-America and Asia in addition to smaller Greenfields in Africa and Middle-East

Maintenance ▲

- Marel has the largest installed base in its industry
- Recurring service and spare parts revenues have increased steadily and were 36% of total revenues in 2016

State-of-the-art poultry plant with Marel solutions in Korea



- Will become one of the largest poultry processing facilities in Asia
 - Four complete high speed processing lines
- Utilizes the newest processing technology
 - Latest technology in de-feathering, evisceration, and chilling
- Long term business relationship
 - Large scale plant commissioned in 2011



History: Operations started in 1978

Revenue: Harim Group €5.7 billion (2015)

Did you know? Harim Group also owns Pan Ocean, one of the world's largest shipping companies

State-of-the-art pork plant with Marel solutions in Mexico



- GCM Granjas Carroll de México is building a state-of-the-art pork plant in the Mexican State of Veracruz
- When reaching full capacity, GCM will become the number one producer of quality pork and pork products
- The new plant will start operations in the autumn on 2017 and will have the latest automatic slaughtering technology in the pork industry
- GCM and Marel are showing true innovation through partnership in this groundbreaking project that will drive the industry forward

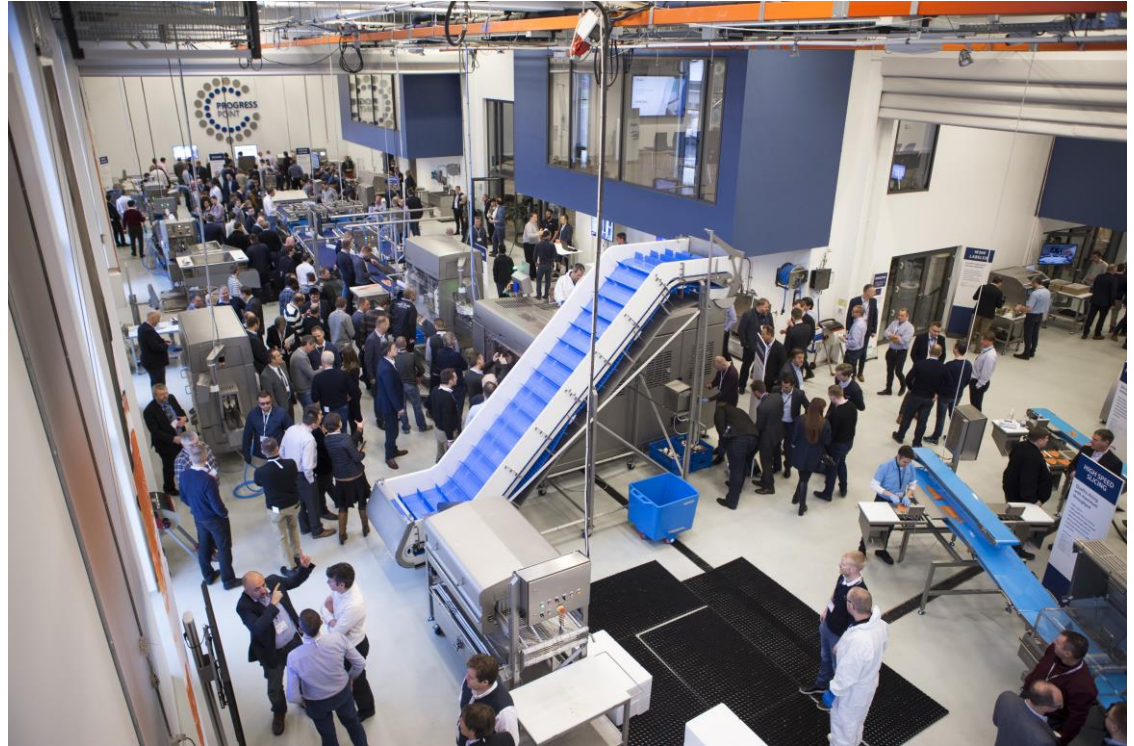


History: Operations started in 1993
Market Position: Account for 13% of Mexico's production of pork

Salmon ShowHow | Over 300 visitors from 41 companies



- The annual Salmon ShowHow was held at Marel's Progress Point demonstration center in Copenhagen
- The focus this year was on getting more from less
- Highlights included the new **MS 2720 automatic de-heading machine** and the High-speed wraparound linerless **M360 labeler**



2015

Pro forma revenue €976m
Pro forma adj. EBIT** €134m
Pro forma order book €320m

Revenue €819m
Adj. EBIT** €100m
Order book €181m

Pro forma 2016

Revenue €983m
EBIT* €143m
Order book €350m

Outlook

Management expects 4-6% average annual market growth in the long term. Marel aims to grow organically faster than the market.

Results may vary from quarter to quarter due to general economic development, fluctuations in order intake and deliveries of larger systems.

In addition Marel aims to strengthen product offering and stimulate further growth through strategic acquisitions.

* Operating income adjusted for amortization of acquisition-related intangible assets (PPA).

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Thank you

**ADVANCING
FOOD PROCESSING**

