

The background features a 3D rendering of interlocking white gears. In the foreground, several stylized human figures are shown in a blue color, appearing to be part of the gear mechanism. The overall scene is set against a light gray background with soft shadows, giving it a sense of depth and motion.

Q4 2014 Presentation

Arni Oddur Thordarson, CEO
Linda Jonsdottir, CFO

5 February 2014

**Arni Oddur
Thordarson
CEO**

Record order intake and revenue with 8% adjusted EBIT

Q4 2014 results

- Revenue €200 million compared to €168 million in Q4 2013
- Record Order intake of €206 million
 - Good mix in order intake between Greenfields, Extension and Modernization Projects
- Adjusted EBIT of €16.1 million or 8%
- Strong cash flow
- The refocusing plan of becoming simpler, smarter, and faster is well on track



* Refocusing costs in Q4 amount to €7.6 million

2014: At the customer, for the customer while refocusing

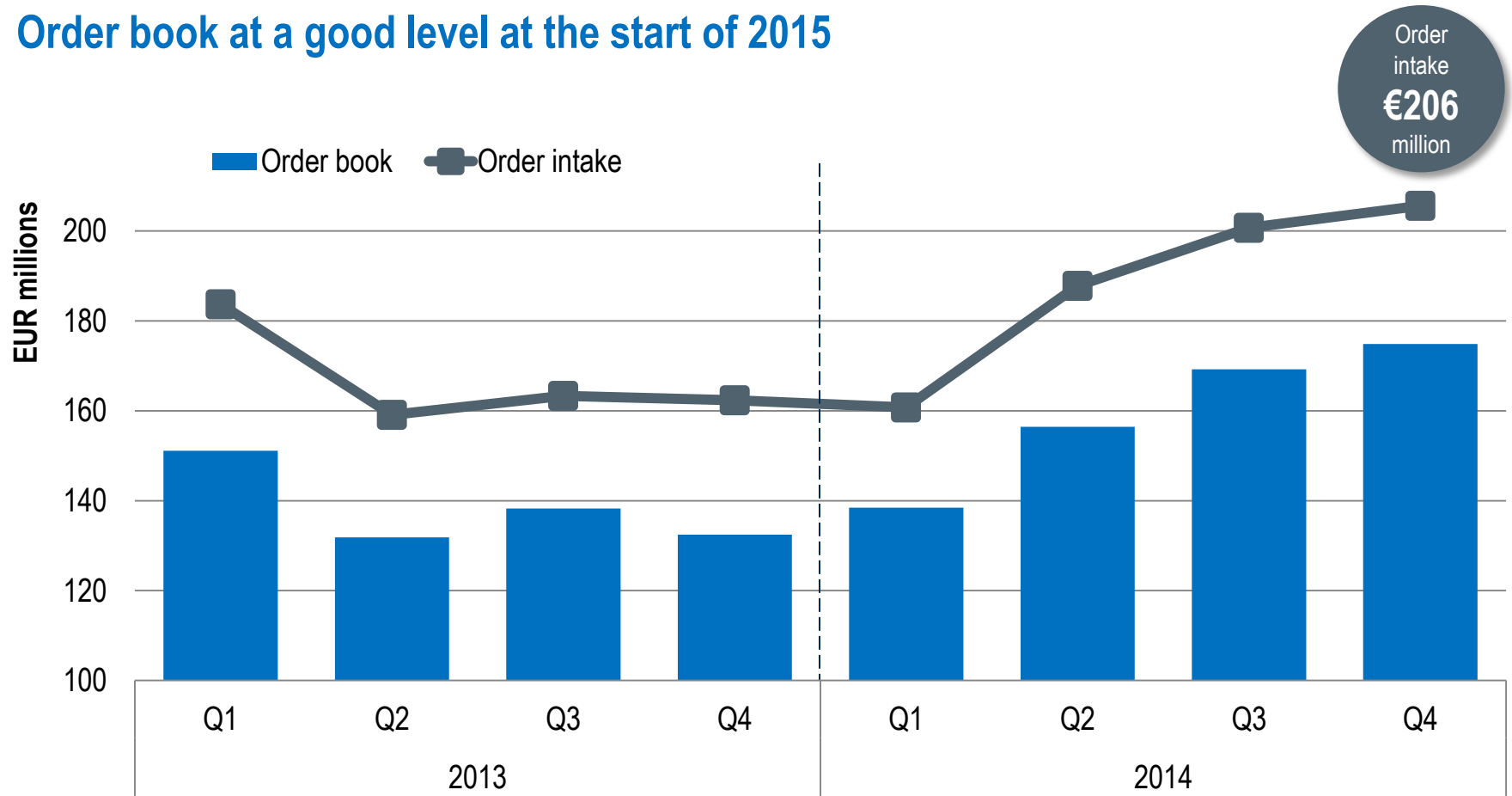
Full year results

- Revenue €713 million compared to €662 million in 2013
 - 7.7% revenue growth
- Order book starts the year at €175 million compared to €132 million in 2014
 - Good geographical mix in order intake
- Adjusted EBIT of €48.8 million or 6.8%
- Net result of €11.7 million and free cash flow of €75.5 million



* Refocusing costs in 2014 amount to €19.6 million

Order book at a good level at the start of 2015



Business overview



Poultry

Volume and profitability improved throughout the year

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

53% of revenue
12.0% adj. EBIT



Fish

Very good year for Marel's Salmon segment and operation moved to modern facility in Stovring

Investments in the Whitefish segment are picking up

16% of revenue
5.7% adj. EBIT



Meat

Reference projects established around the globe

Operation streamlined and manufacturing in Oss consolidated with Boxmeer to capture synergies

17% of revenue
-2.1% adj. EBIT



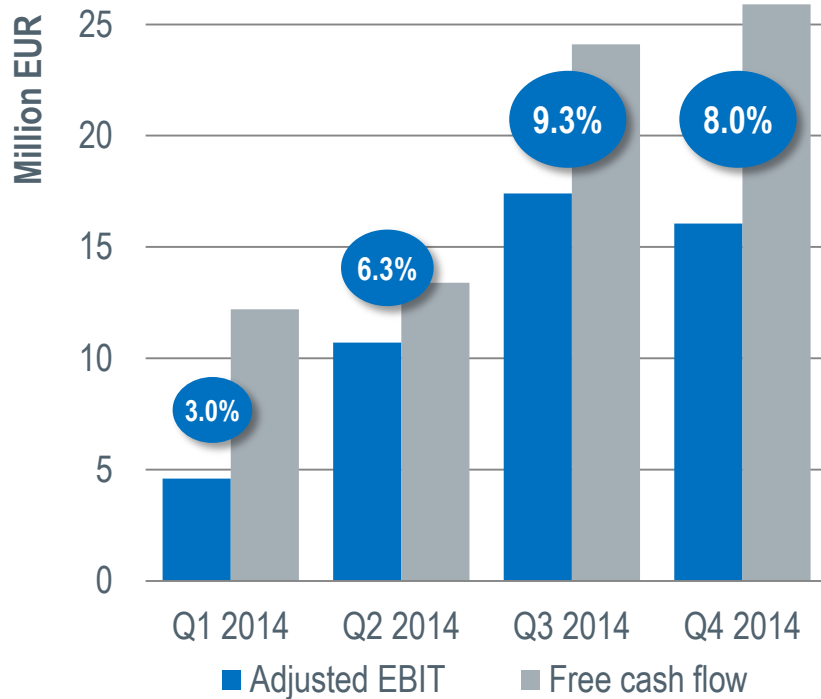
Further Processing

The year started slow but order intake at good level in second half of year

Operation streamlined in Q4 2014 and Q1 2015, manufacturing in US consolidated

13% of revenue
-0.2% adj. EBIT

Operational results improving with strong cash flow



- Revenue growth of 7.7% from last year
- Full year adjusted EBIT of EUR 48.8 million (6.8%)
- Management guidance for 2014 was organic growth with adjusted EBIT of EUR 40-50 million
- Order book at end of year is EUR 175 million compared to EUR 132 million at beginning of year

EBITDA improvement and strong cash flow has driven Net Debt/adj.EBITDA down to 2.08

Linda Jonsdottir is the new CFO of Marel

- Linda has joined Marel's Executive Team
- Will play a key role in further alignment of execution and strategy



Linda Jonsdottir

- Born in 1978, married with three children
- Been with Marel since 2009
- Linda was previously Marel's Corporate Director of Treasury and Investor Relations
- M.Sc. degree in Corporate Finance and Cand.Oecon degree in Business Administration

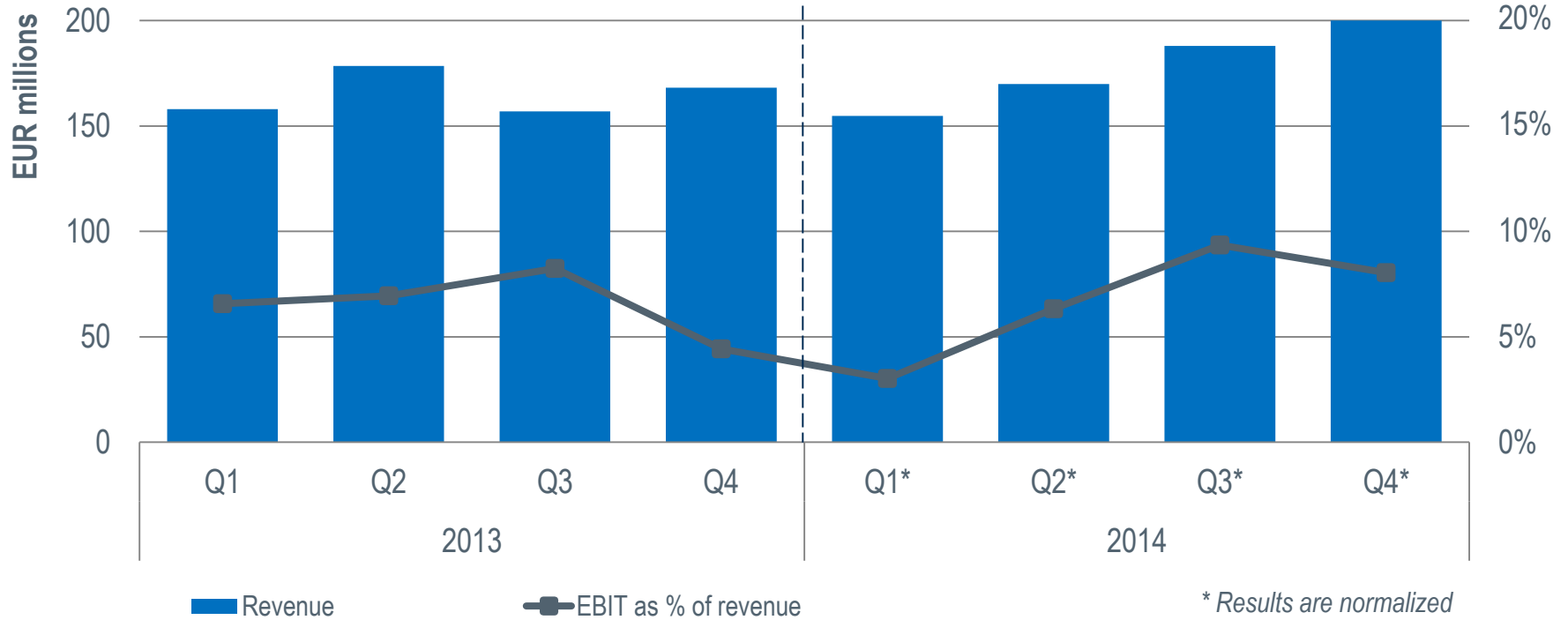
Linda
Jonsdottir
CFO

Business results

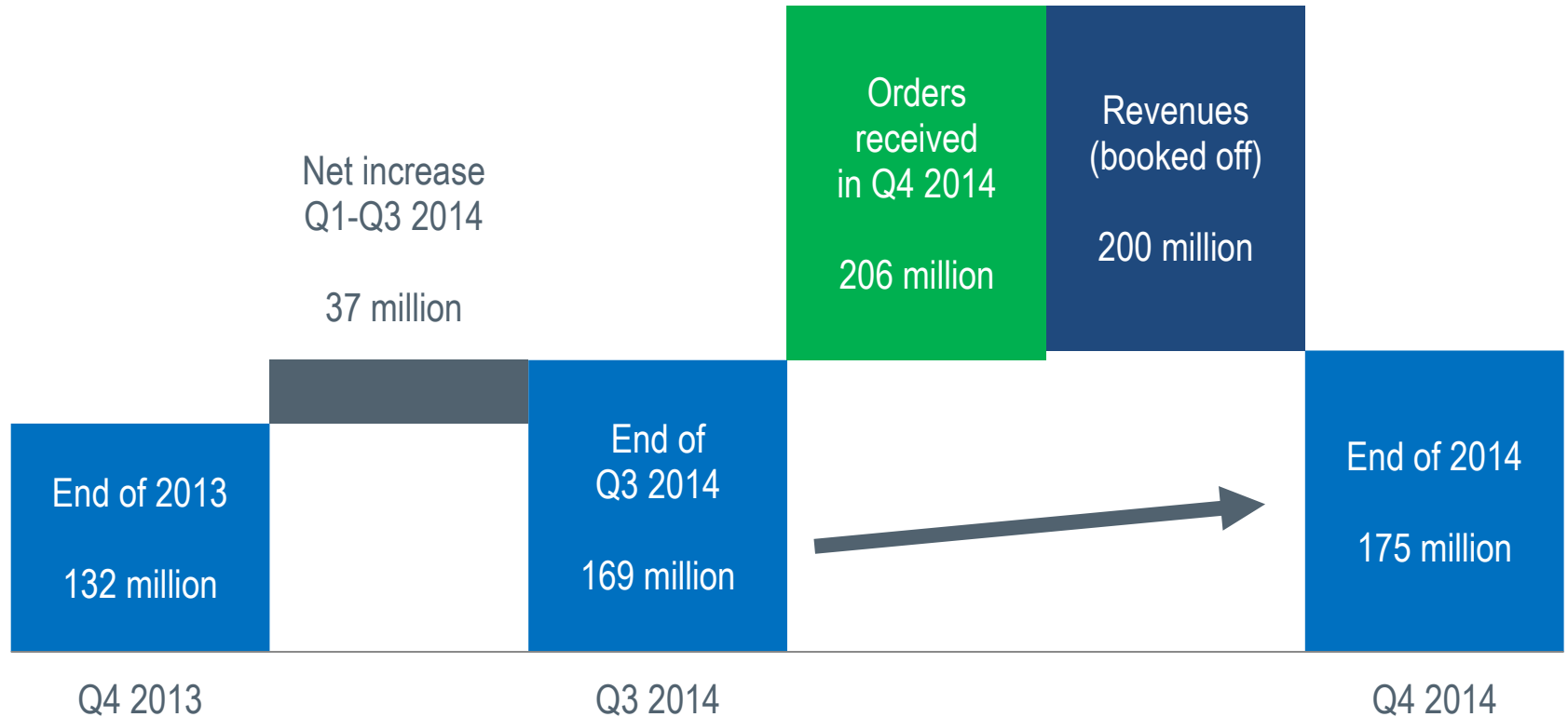
<i>EUR thousands</i>	Q4 2014	Q4 2013	Full year 2014
Revenue	200,018	168,182	712,554
Gross profit before refocusing cost	75,413	58,588	255,797
<i>as a % of revenue</i>	37.7	34.8	35.9
Before refocusing costs			
Result from operations (adjusted EBIT)	16,058	7,410	48,778
<i>as a % of revenue</i>	8.0	4.4	6.8
Adjusted EBITDA	28,122	14,086	83,666
<i>as a % of revenue</i>	14.1	8.4	11.7
After refocusing costs			
Result from operations (EBIT)	8,493	7,410	29,178
<i>as a % of revenue</i>	4.2	4.4	4.1
EBITDA	20,989	14,086	66,698
<i>as a % of revenue</i>	10.5	8.4	9.4
Net result	2,995	3,701	11,731
Orders received (including service revenues)	205,655	162,358	754,996
Order book	174,880	132,438	174,880

Development of business results

Firm steps to improve profitability



Marel enters 2015 with Order Book of EUR 175 million



Condensed consolidated balance sheet

ASSETS

EUR thousands

Non-current assets

	31/12 2014	31/12 2013
Property, plant and equipment	96,139	104,707
Goodwill	387,103	378,708
Other intangible assets	114,916	118,561
Receivables	94	691
Deferred income tax assets	7,873	9,611
	<u>606,125</u>	<u>612,278</u>

Current assets

Inventories	88,450	91,796
Production contracts	29,123	24,829
Trade receivables	77,125	68,737
Assets held for sale	2,500	-
Other receivables and prepayments	23,551	22,135
Cash and cash equivalents	24,566	19,793
	<u>245,315</u>	<u>227,290</u>

Total assets

851,440

839,568

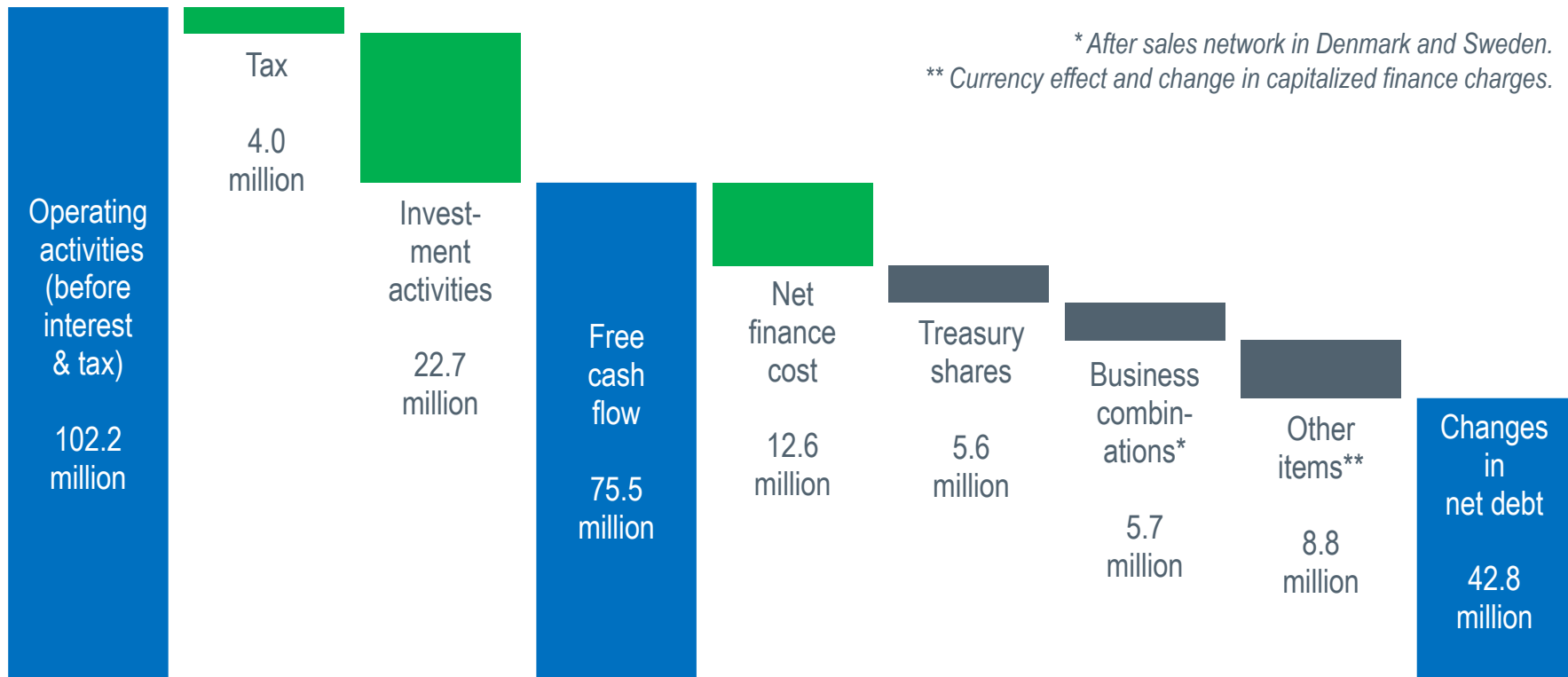
Condensed consolidated balance sheet (continued)

LIABILITIES AND EQUITY

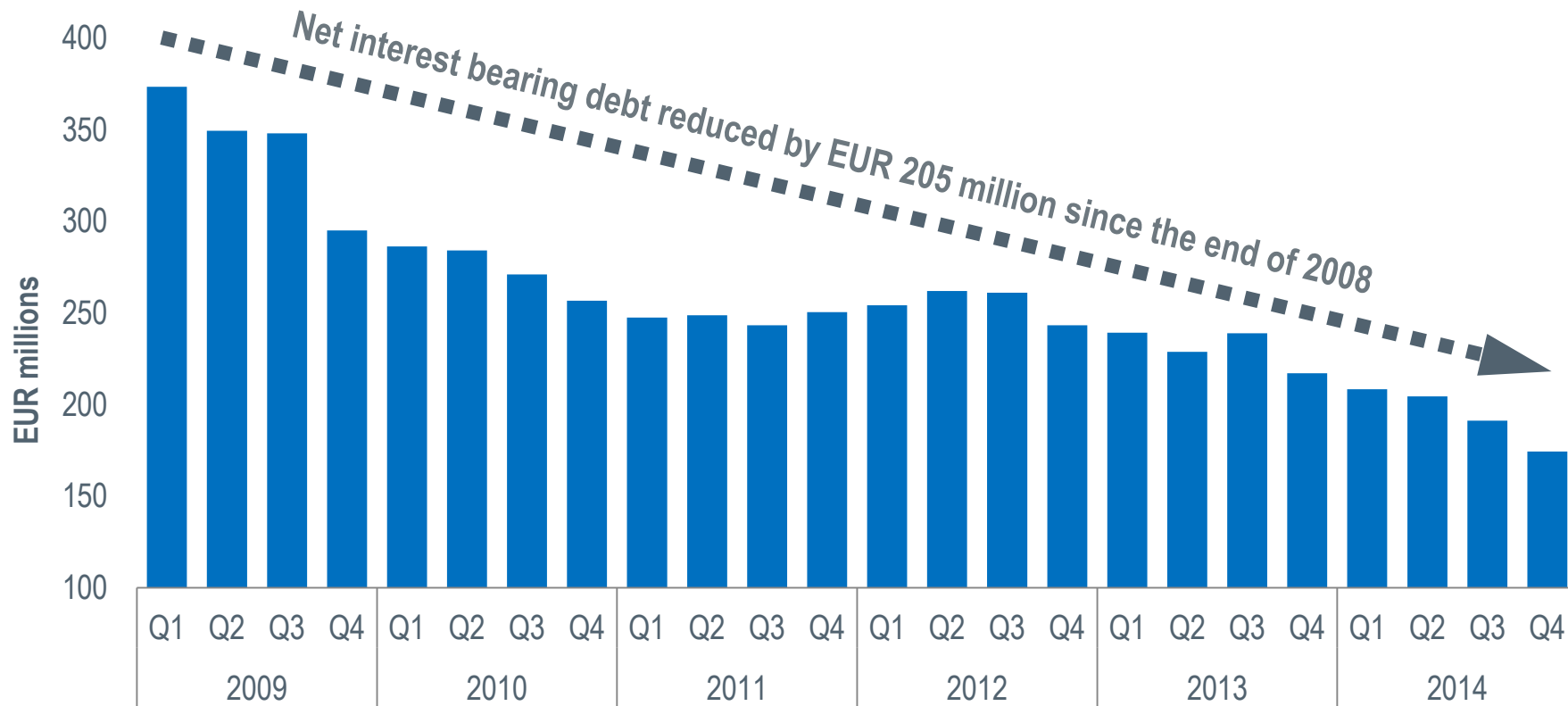
EUR thousands

	31/12 2014	31/12 2013
Equity	427,498	419,339
LIABILITIES		
Non-current liabilities		
Borrowings	180,278	214,846
Deferred income tax liabilities	11,308	13,885
Provisions	7,292	6,065
Derivative financial instruments	5,399	7,184
	<u>204,277</u>	<u>241,980</u>
Current liabilities		
Production contracts.....	64,958	44,881
Trade and other payables	122,479	105,662
Current income tax liabilities	4,185	3,526
Borrowings	18,635	22,077
Provisions	9,408	2,103
	<u>219,665</u>	<u>178,249</u>
Total liabilities	423,942	420,229
Total equity and liabilities	851,440	839,568

2014 cash flow composition and changes in net debt

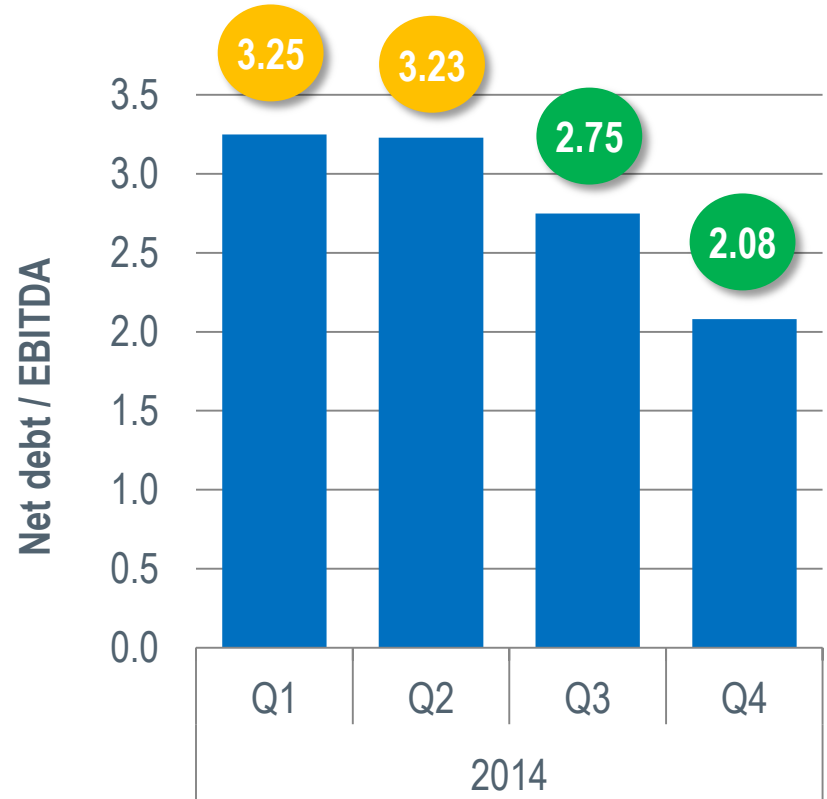


Net interest bearing debt reduced by EUR 42.8 million in 2014



Capital structure in line with targets

- Net debt / EBITDA ratio target of 2-3 x EBITDA
- Board of Directors proposes to pay out 30% of net profit of 2014 as dividend in line with dividend policy of 20-40%
- Marel is stimulating further revenue and operational profit growth by:
 - Streamlining the business
 - Continuous innovation
 - Investing in the business



Solid global financing

- Long term financing amended and extended at the end of the year
 - Took effect on January 9, 2015
 - Includes an addition of a Junior facility of EUR 50 million
- Consortium of five international banks
 - ABN Amro, Bayern LB, ING Bank, Landsbankinn, and Rabobank
- Increases strategic and operational flexibility

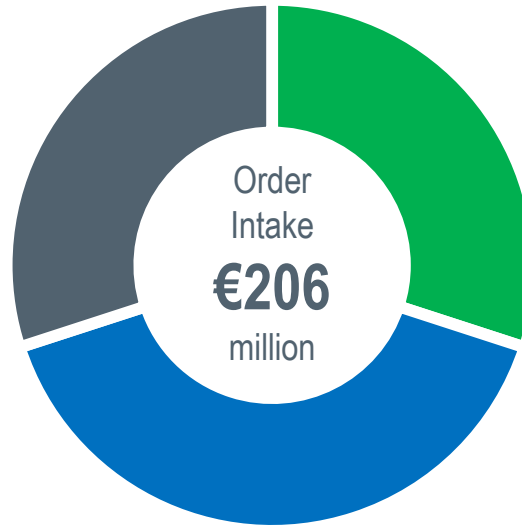


**Arni Oddur
Thordarson
CEO**

Good mix of Greenfields, Modernization, and Maintenance

Modernization and standard equipment ►

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



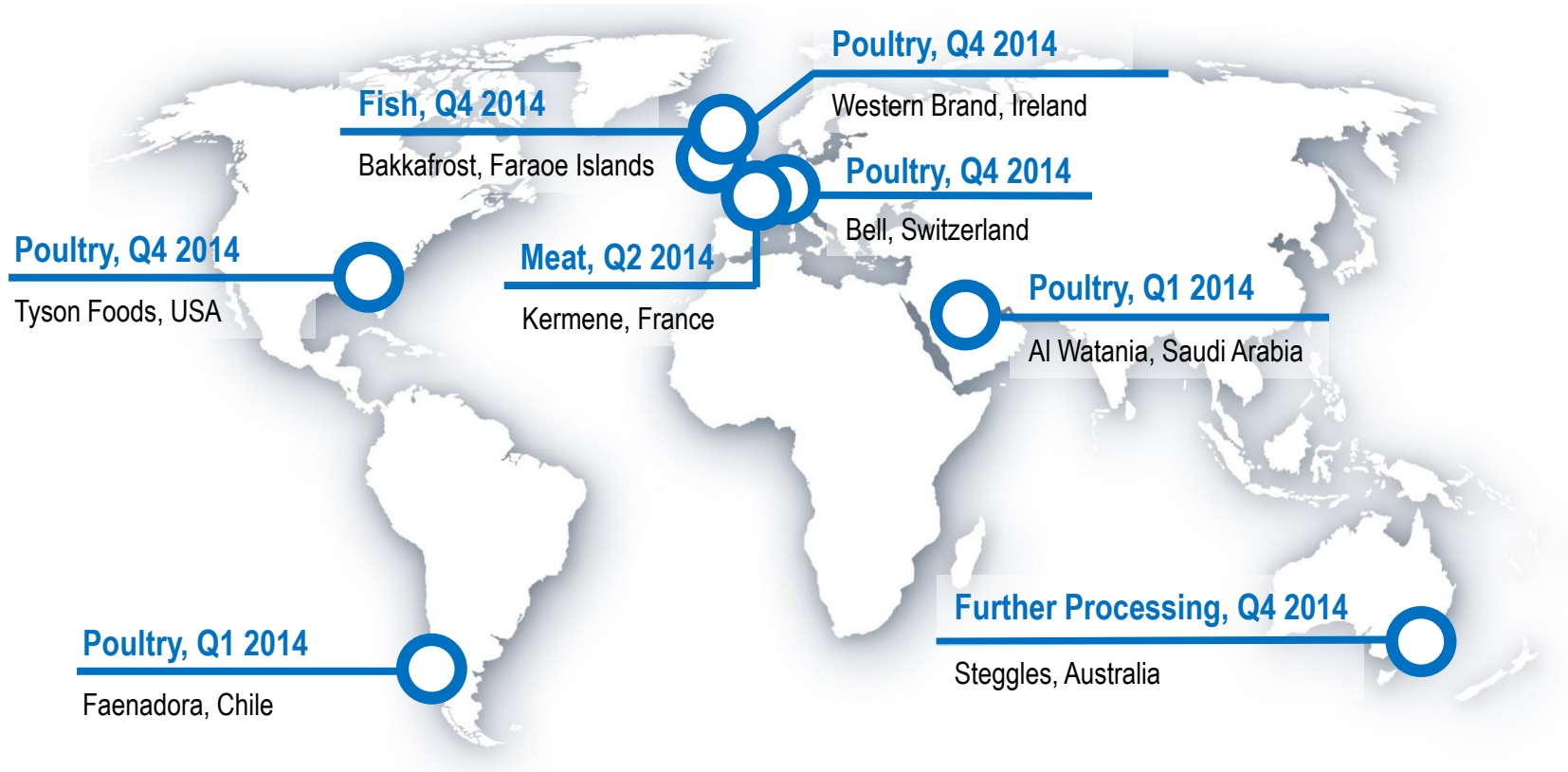
◀ Greenfields

- Several large Greenfield projects in Poultry, Fish, and Further Processing

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

Large projects around the globe in 2014



Refocusing well on track

At the customer, for the customer

- Record order intake and revenue for two consecutive quarters



Simpler, Smarter, Faster Marel

- Streamlining in sales, service, and innovation



Actions taken to optimize manufacturing

- Salmon activities transferred from Norresundby to Stovring
- Meat activities transferred from Oss to Boxmeer
- Wind-down in Singapore begun, to be completed by mid year
- Manufacturing in Des Moines to be transferred to Gainesville



Wind-down of manufacturing in Singapore

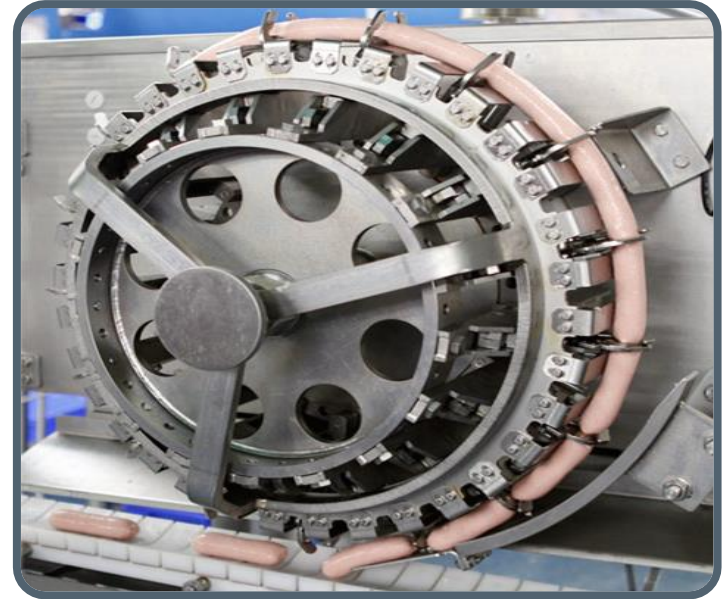
- Marel is refocusing its product portfolio to concentrate on areas of competitive advantage and to strengthen its market position
- At the same time, Marel is stepping up sales and service activities in Asia with a more focused market approach
- Wind-down in Singapore expected to be finished before mid-year 2015
- Will increase operational profit in 2H 2015 and onward



Marel is entering into partnership to continue to provide freezing solutions for integrated solutions to its customers

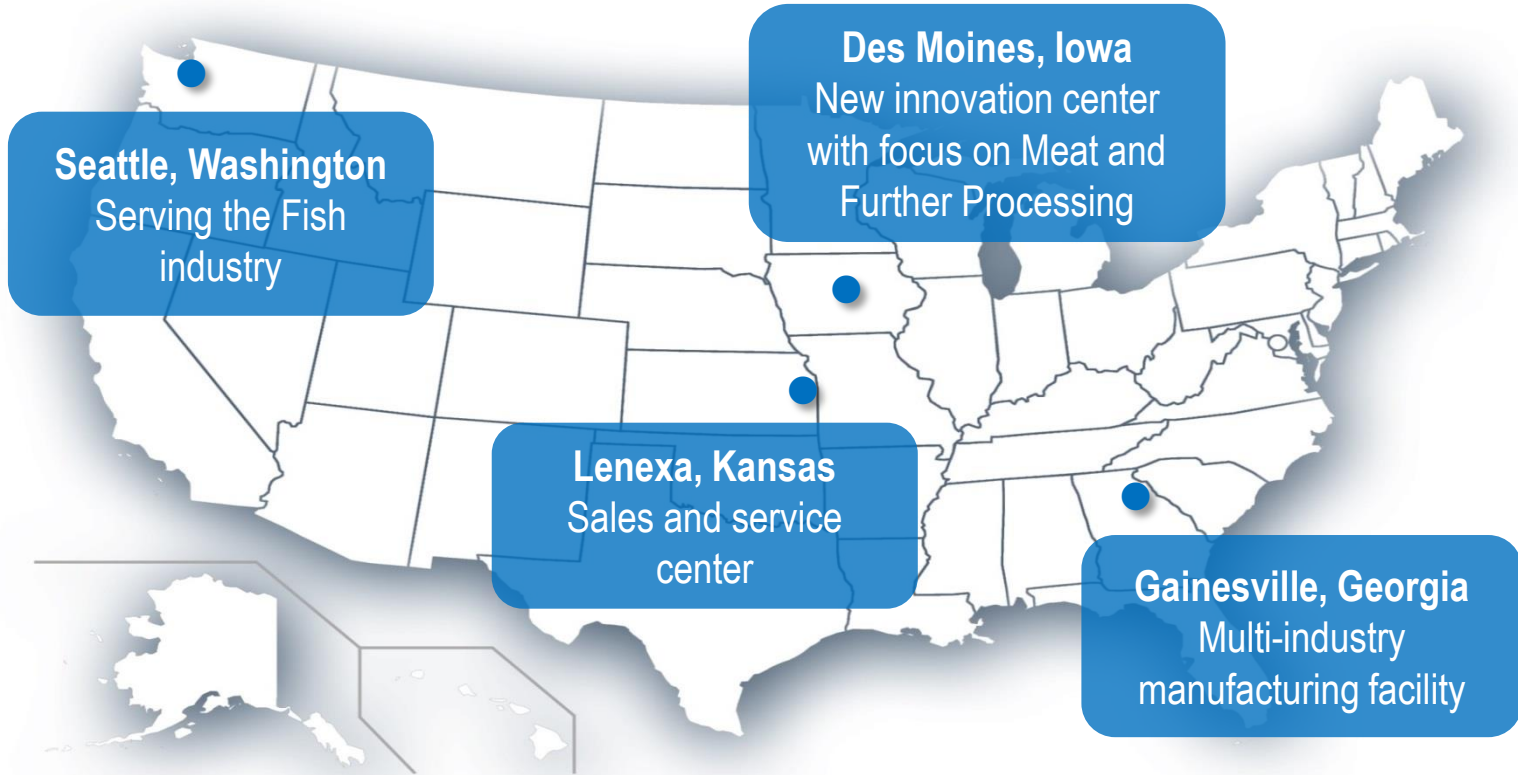
U.S. manufacturing moving to Gainesville, Georgia

- Manufacturing in Des Moines to be transferred to existing facility in Gainesville
- In line with Marel's strategy of consolidating its manufacturing platform into few multi-industry sites
- Transition has already begun, with completion before year-end 2015
- Costs will be booked as one-off costs in Q1 2015 with benefits taking effect in 2016 and onwards
- At the same time Marel is investing in a new innovation center in Des Moines



Marel in Des Moines provides high quality equipment to sausage producers all over the world.

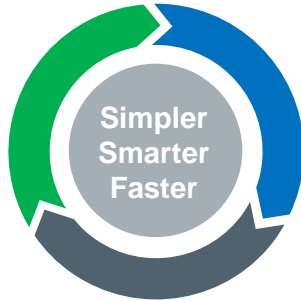
Dynamic and growing U.S. market served by 600 Marel employees



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

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

2015

Organic growth
Solid operational improvement
Good cash conversion

2016

Organic growth
Solid operational improvement
Good cash conversion

2017

Organic growth
> 100 million EBIT
Good cash conversion

Total estimated cash-out cost of refocusing €25 million

Q&A

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Takk fyrir
Dank u wel
Mange tak