



MPS Acquisition & Stable long-term financing

23 November 2015

Investor Presentation

Transaction Highlights

*Arni Sigurdsson, head of Strategy and
Corporate Development*

Highlights

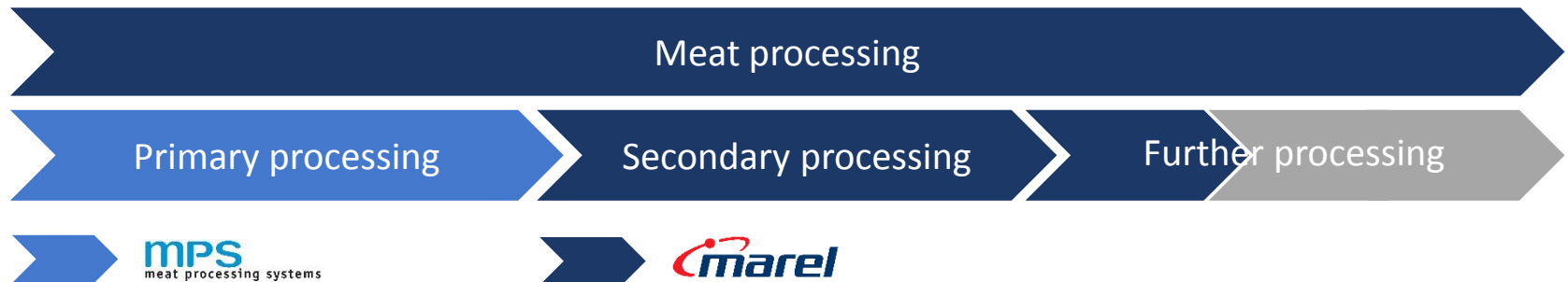
- Marel has agreed to acquire MPS meat processing systems for €382 million on a debt and cash-free basis
- Parallel Marel secured close to €670 million senior long term financing for the group at favorable terms and conditions
- MPS is a leader in primary processing solutions for the pork and beef industry and in innovative solutions in waste water treatment and food logistics
 - Large installed base and strong global sales and service network
- MPS and Marel are a strong fit in market presence, manufacturing footprint and product portfolio
 - Marel will become a full line solutions provider in meat
- MPS has achieved solid growth and profitability in recent periods
 - Forecasted 2015 revenue close to €150 million and EBITDA around €40 million
- Completion is subject to anti-trust approvals and closing is expected in Q1 2016

Acquisition Rationale



Great Strategic and Cultural Fit

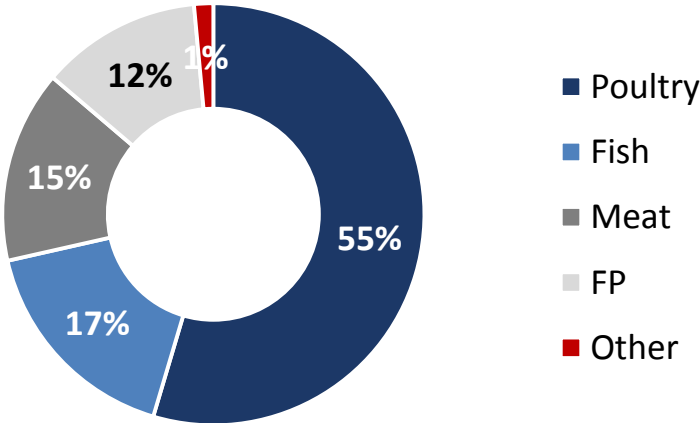
- MPS and Marel have been in partnership over the past few years
- Marel will become a full line supplier in meat with the acquisition of MPS
 - MPS is a strong player in primary processing in meat
 - Marel is a major player in secondary and further processing with overarching software
- Complementary geographical presence and product portfolio results in increased economies of scale and cross selling opportunities
- Better serving the customer need and adding value to our customers
- Strong management and highly skilled employees with long tenure



Balanced business profile

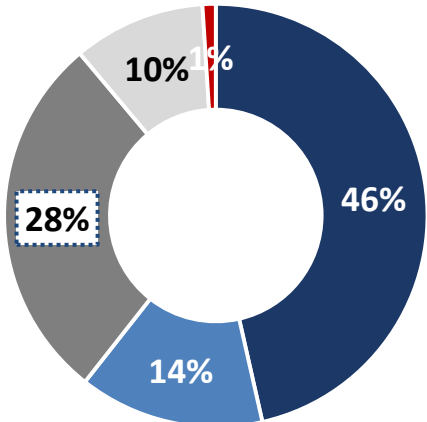
Segment breakdown – before acquisition

Revenue Sept YTD 2015

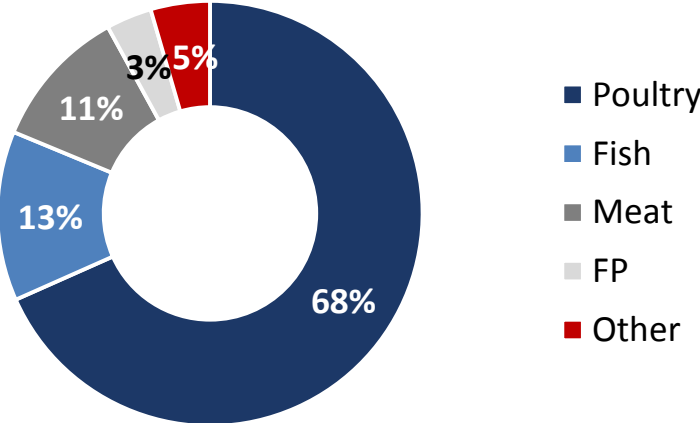


Segment breakdown – post acquisition*

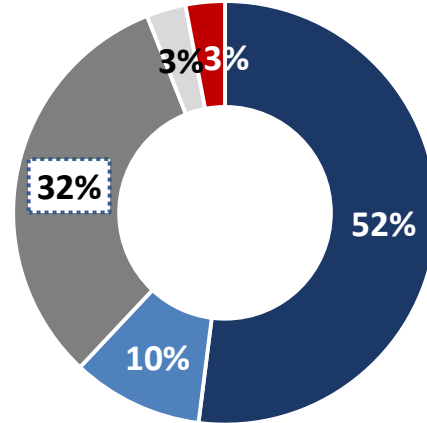
Pro Forma Revenue Sept YTD 2015



Adj. EBITDA Sept YTD 2015



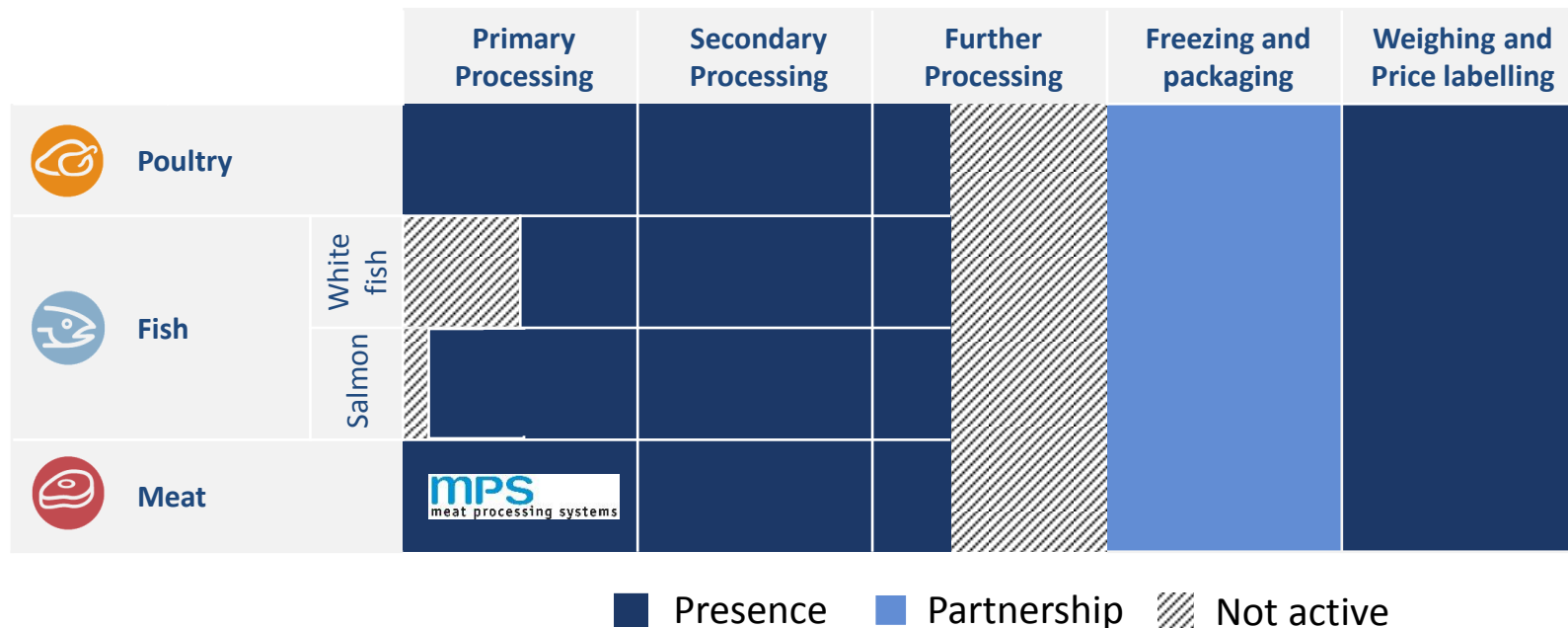
Pro Forma adj. EBITDA Sept YTD 2015



*Assuming that all MPS revenues and EBITDA are attributable to Meat

Full Line Supplier

- MPS will close capability gaps and make Marel a full line provider in the meat industry
 - Similar to when Marel acquired Stork Food Systems and became a leading global provider of high-tech solutions to the poultry industry
- Great platform to serve customers' needs better and invest in further growth

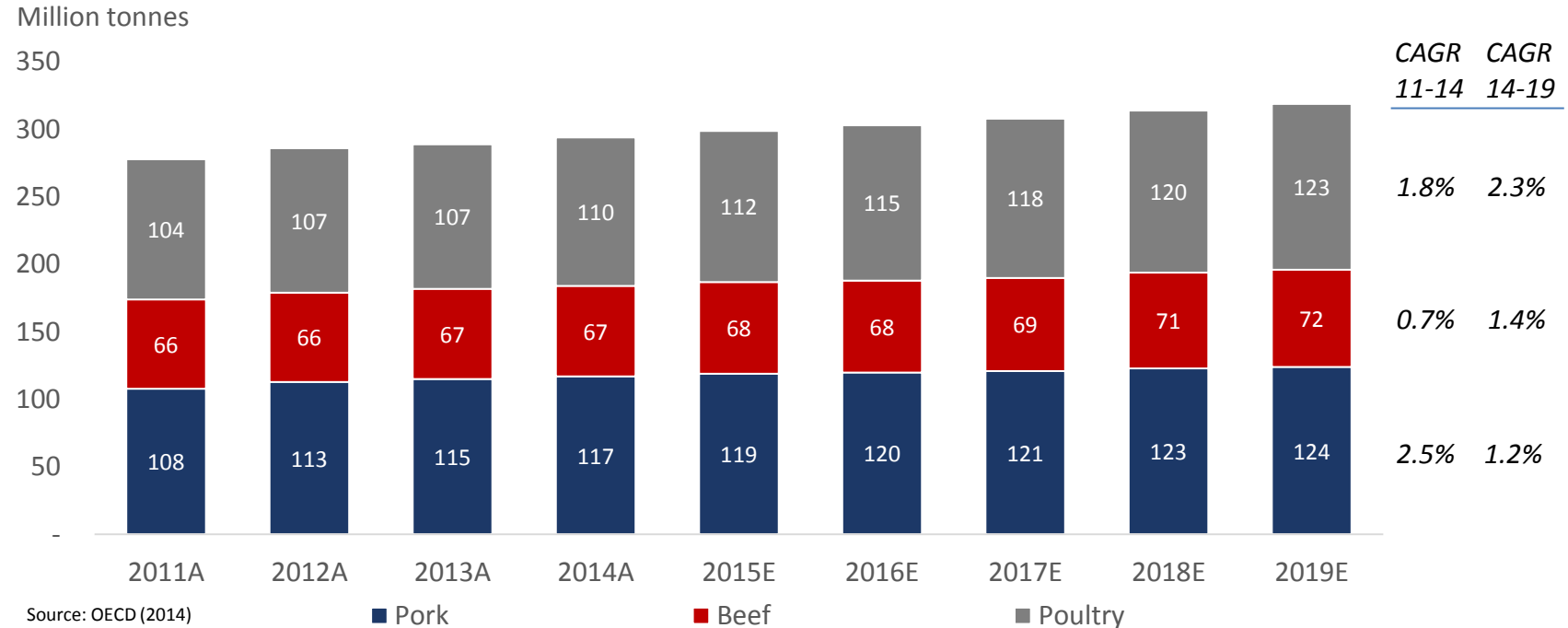


MPS



Pork and poultry large and growing markets

Meat consumption – Global development by type



- Pork consumption is growing globally
 - China represents roughly 50% of global pork consumption
- Commercial pork primary processing is at a relatively high level in developed markets
 - Still estimated to be at relatively low level in China and Russia (45% and 74%)
- Poultry will be the growth driver of meat consumption, especially due to its low price

MPS is a market leader in Primary Processing

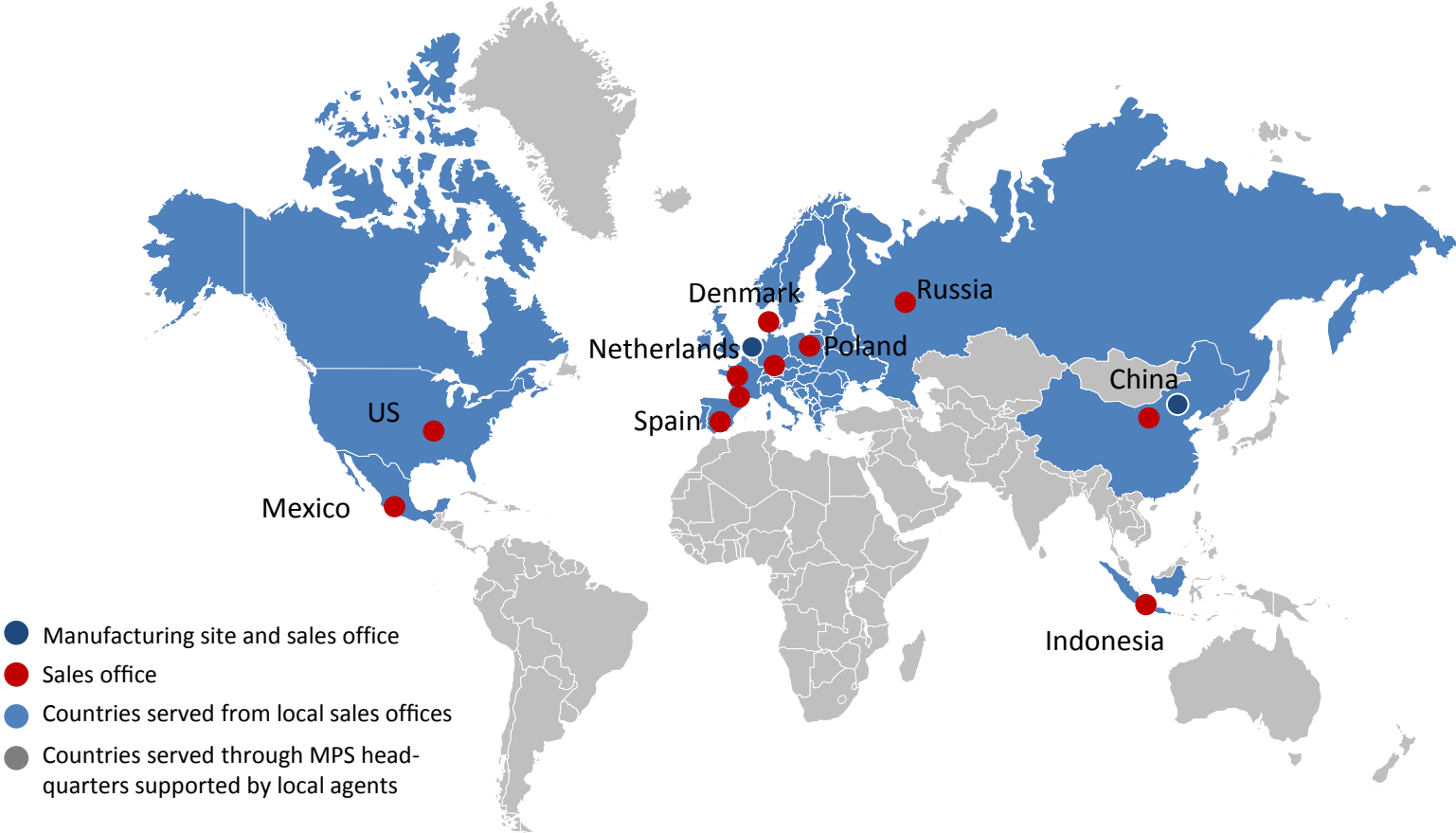
- Leading supplier in design, manufacturing and implementation of:
 - Systems for primary processing
 - Blood collection
 - Food logistics systems
 - Wastewater treatment systems
 - Aftersales services and spares
- All segments profitable
- Large installed base
 - Close to 2,000 active customers globally
 - 5,000+ executed projects in 100+ countries
- Operates a manufacturing plant in China and the Netherlands



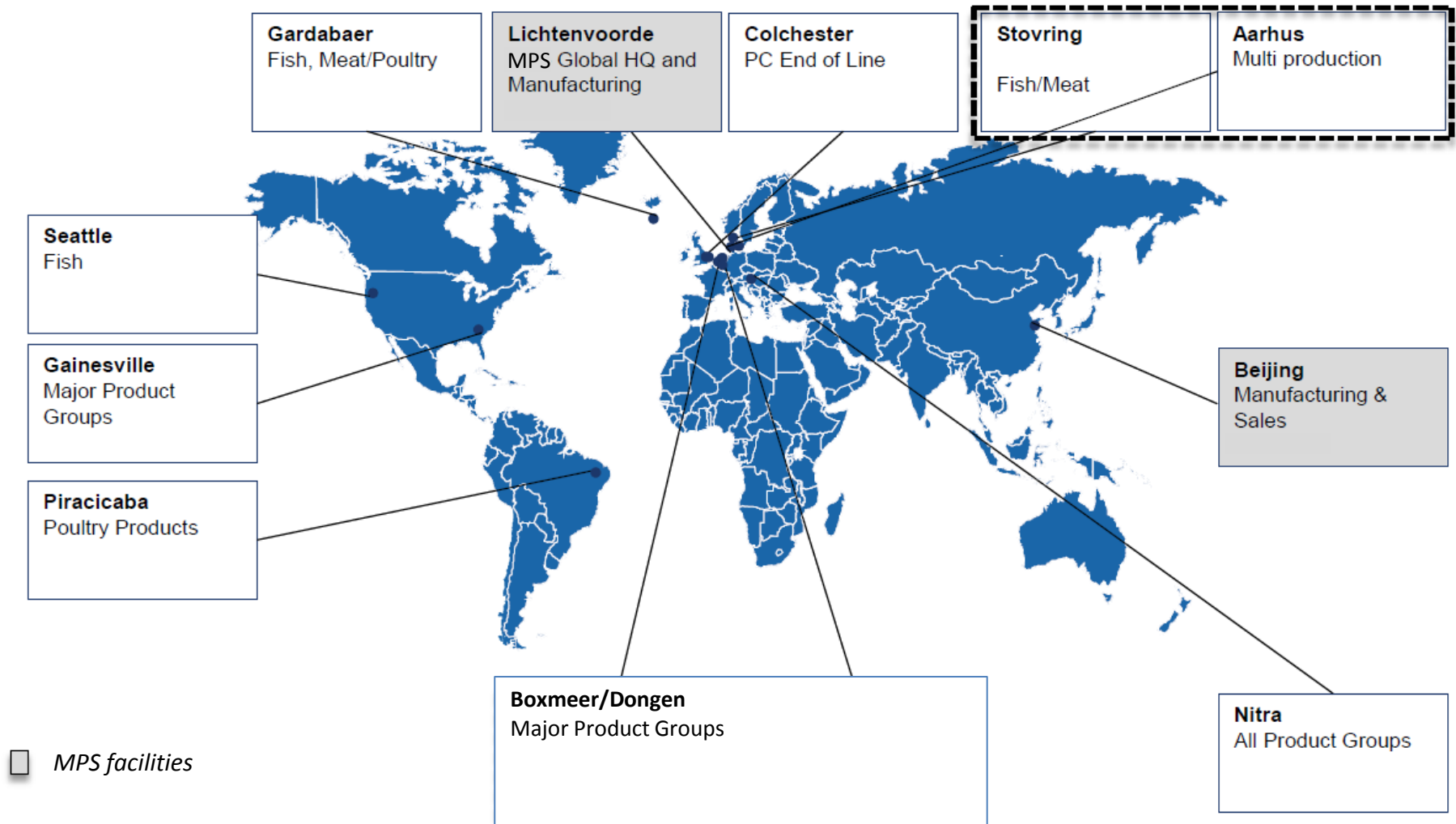
Proven and Experienced Management

- Under the leadership of MPS's management revenue growth and profitability have been strong
- Best in class engineering and project management
- Great food processing and technology know-how
- Long tenure and low turnover of employees
- Flat and agile organization resulting in quick reactions to changing market conditions
- Headquartered in the Netherlands with total employees of 670, thereof 150 in China

Complimentary Market Presence



Optimal manufacturing footprint



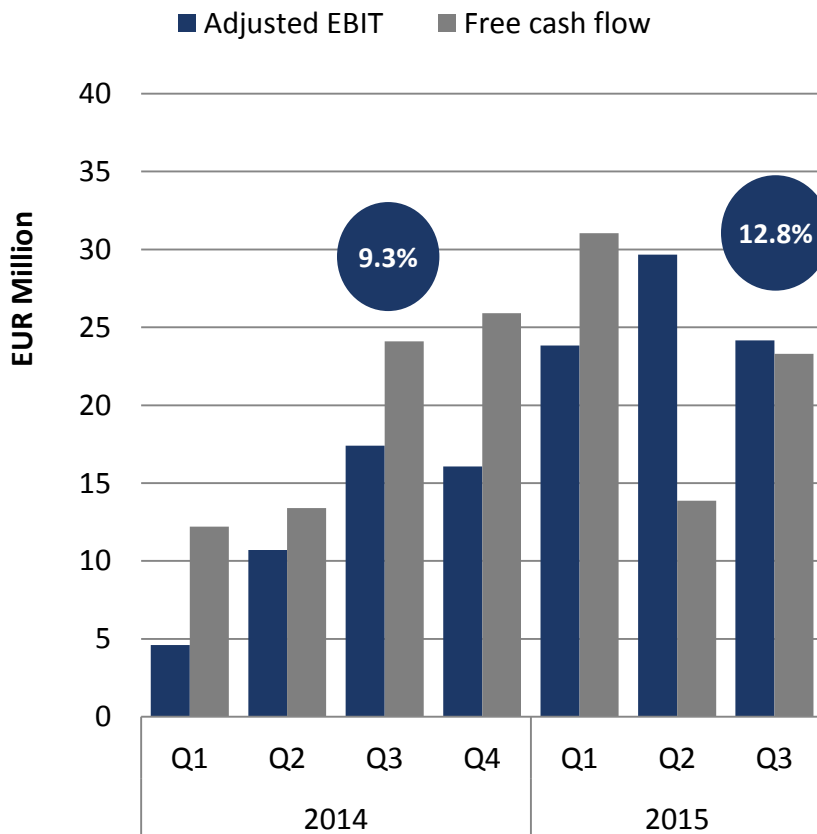
Financing

Linda Jonsdottir, CFO

MPS Financial Highlights

- Strong revenue growth of 9% per annum in FY 11A-15E
- Order book equivalent to 12 months equipment and solution sales
- Consistent high profitability
 - Efficient manufacturing platform
 - Lean organization
 - Large installed base
- High cash conversion
 - High order book and business model of prepayments results in negative working capital
- Attractive return on capital

Solid operational performance with strong cash flow

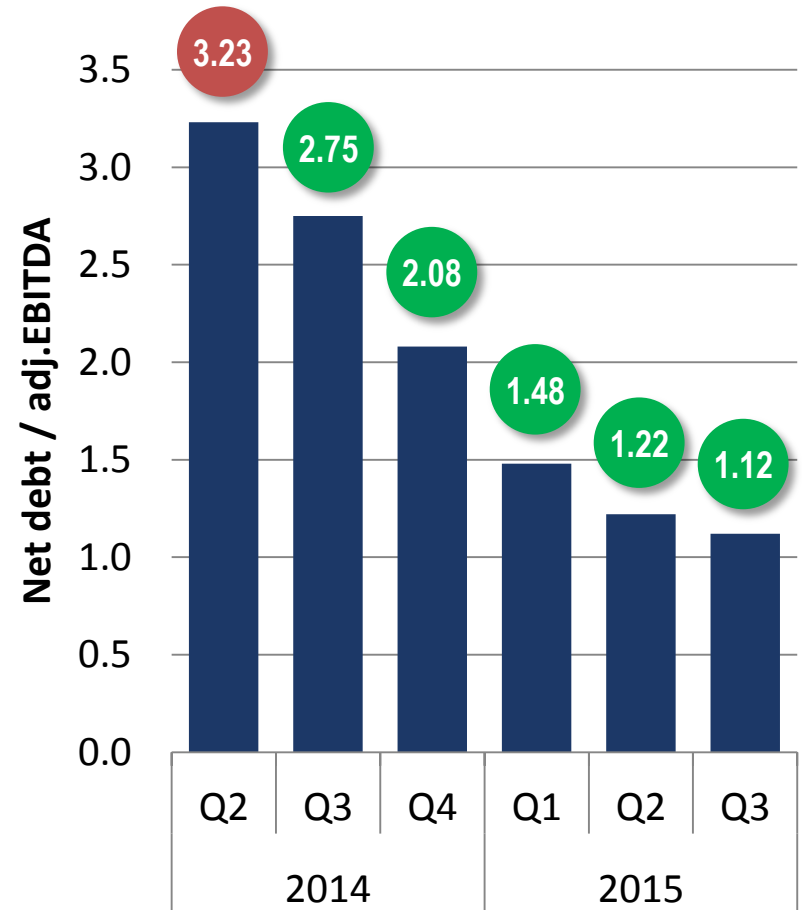


- Year to date Adj. EBIT €78 million or 12.6% [9M 2014: EBIT €33 million 6.4%]
- Marel has streamlined its operations and focused its product portfolio
 - Discontinued low margin business accounts for 30 million annually and is not included in the accounts since Q2 2015
 - Marel has optimized its manufacturing footprint leading to improved margins
- Year to date revenue is €617 million compared with €513 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

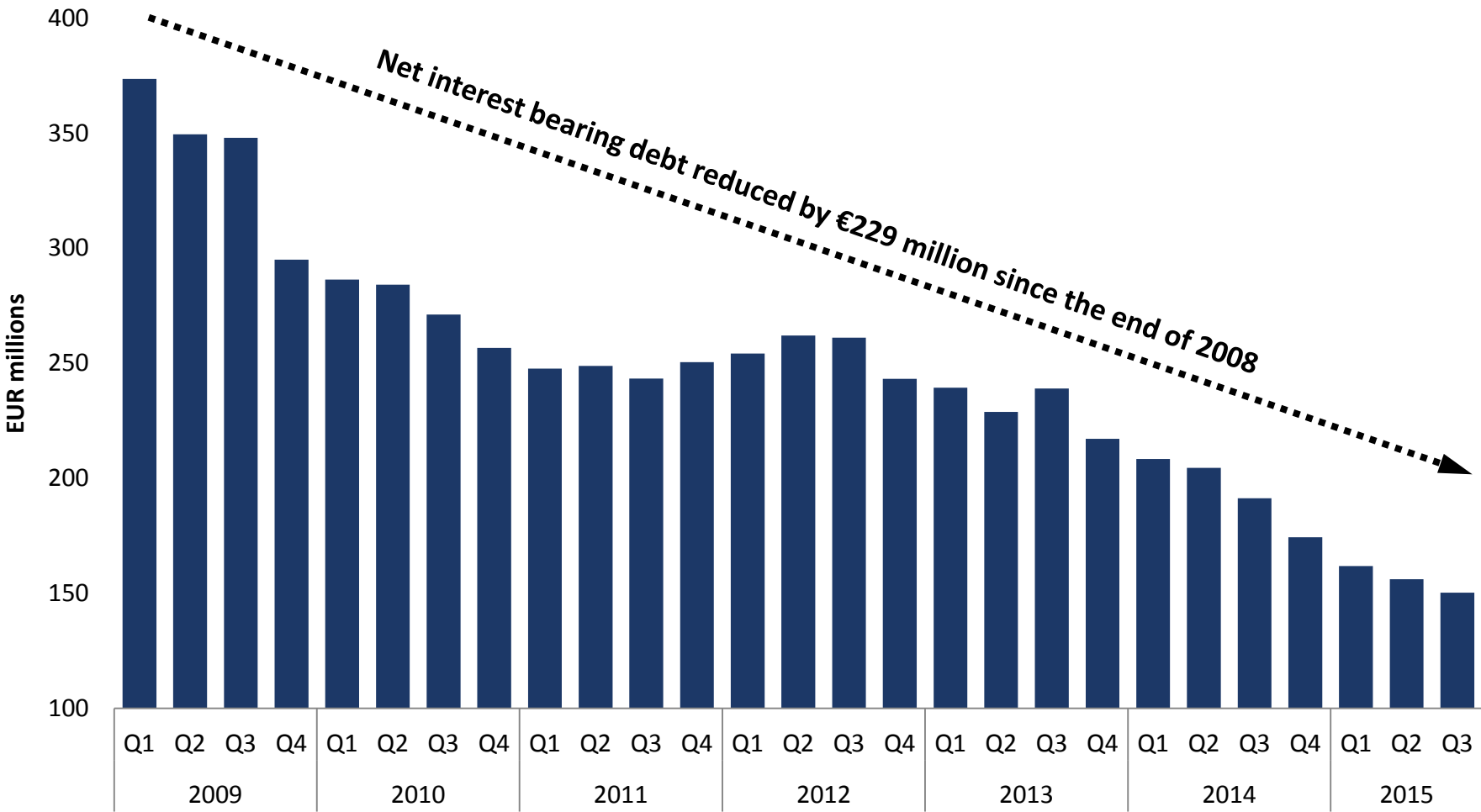
EBITDA improvement and strong cash flow has driven Net Debt/adj. EBITDA down to 1.1 in Q3 2015

Key enablers for the acquisition of MPS

- Strong balance sheet
 - At the end of Q3 Net debt /adj. EBITDA was 1.12x EBITDA compared with target of 2-3x EBITDA
- Good business performance of Marel
 - Commercially strong product portfolio, focused market approach and tailwind in markets delivering strong performance
 - Successful refocusing program with substantial improvements in profitability
 - Strong cash flow
- Fully secured funding
 - €670 million senior facility



Steep deleveraging of the company since 2008



One company – One senior financing

- Parallel to the announced acquisition Marel has secured long-term senior financing arranged by Rabobank
- The approximately €670 million senior loan facilities have maturity in November 2020 and its terms and conditions are in line with current market terms and current senior facility
- The facility has three tranches
 - €450 million in amortizing loan with annual €30 million in amortization
 - \$100 million in bullet loan
 - €125 million in revolving facility

Financial position remains strong

- The financing provides Marel strategic and operational flexibility to support growth and value creation going forward
- The financial position of Marel remains strong and the financial leverage (Net debt/EBITDA) ratio is anticipated to be around 3x at closing
- Management of MPS will invest c. €16m of their proceeds in Marel shares
- Transaction closure is only subjected to clearance from the anti-trust authorities
 - Advice from both works' councils has been rendered
- Until the closing of the transaction, each company will continue to operate independently, and perform their business as usual

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Thank you
Takk fyrir
Dank u wel
Mange tak