



Q1 2017 presentation

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**ADVANCING
FOOD PROCESSING**



Q1 2017: Robust order intake and solid operational performance



- Revenue of €252 million
 - Q1 2016: 221m, pro forma 234m
- Order intake of €293 million
 - Q1 2016: 247m, pro forma 254m
- Order book €390 million
 - Q1 2016: 340m
- EBIT* €37.7 million or 14.9%
 - EBIT* Q1 2016: 14.1%, pro forma 15.1%
- EPS 2.99 euro cents
 - Q1 2016: 1.93



**Adjustments in Q1 2017 consist of €6.2 million amortization of acquisition-related intangible assets (PPA)*

Business overview for the first three months of 2017



POULTRY

Solid operational profit margins and strong volume with good geographical and product mix

Marel is reaping the benefits of a steady flow of highly innovative solutions introduced to markets

53% of revenue
16.5% EBIT margin



MEAT

Strong quarter with good operational margins and volume

Marel's full-line offering in the meat industry well perceived by customers and various cross- and upselling secured

34% of revenue
14.8% EBIT* margin



FISH

Good order intake on the back of record order intake in Q4

Improved operational results following a strategic shift in 2016

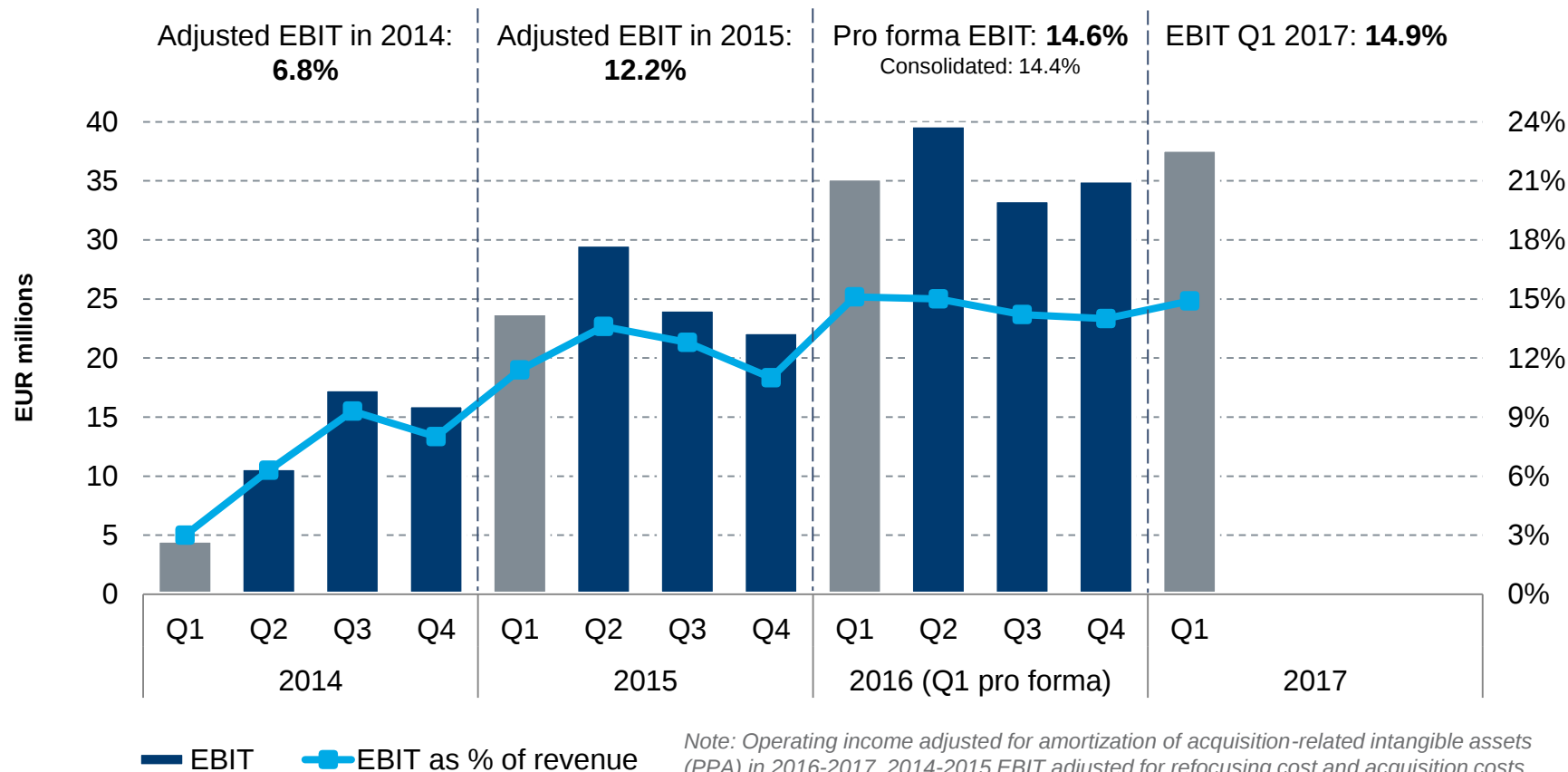
Flexicut taking the first steps into the onboard and salmon segment in innovation partnership with customers

12% of revenue
6.6% EBIT margin

Other segments account for 1% of revenue

** Operating income adjusted for amortization of acquisition-related intangible assets*

Solid operational performance





Consolidated accounts

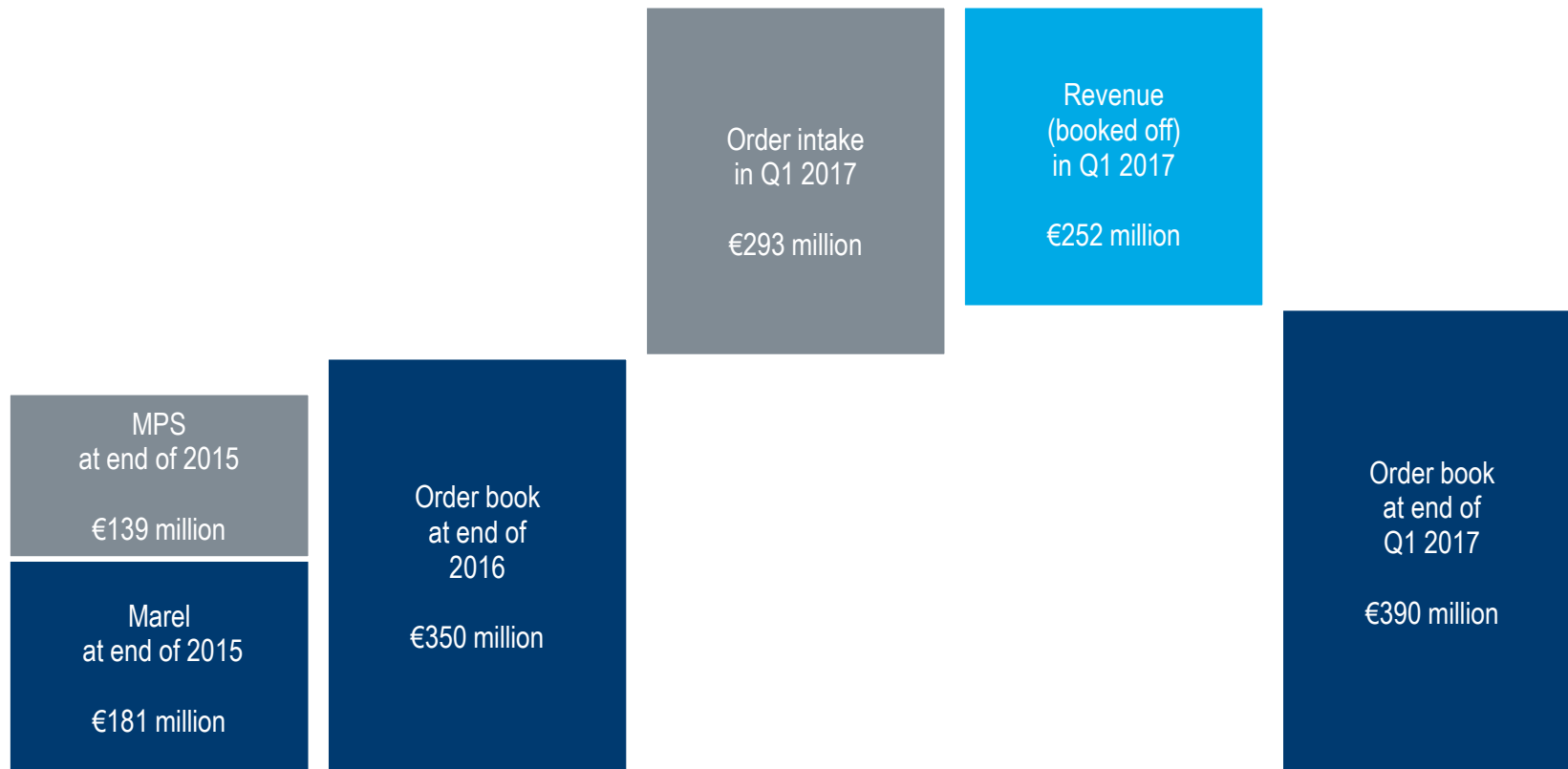
Consolidated: First quarter financial results



EUR thousands

	Q1 2017	% of revenue	Q1 2016	% of revenue	Change in %
Revenue	252,464		220,631		14.4
Gross profit	99,445	39.4	92,607	42.0	7.4
Selling and marketing expenses	(30,958)	12.3	(30,452)	13.8	1.7
General and administrative expenses	(16,880)	6.7	(15,806)	7.2	6.8
Research and development expenses	(13,915)	5.5	(15,307)	6.9	-9.1
Other operating income / (expenses)	-		81		
Before PPA					
Result from operations (EBIT)	37,692	14.9	31,123	14.1	21.1
EBITDA	45,955	18.2	38,185	17.3	20.3
After PPA					
Result from operations (EBIT)	31,475	12.5	26,576	12.0	18.4
Net result	21,349	8.5	13,752	6.2	55.2
Orders received	293,188		247,380		18.5
Order book	390,250		339,949		14.8

Record order book at the end of Q1 2017



Consolidated: Balance sheet



ASSETS (EUR thousands)

Non-current assets

Property, plant and equipment	120,413	118,991
Goodwill	634,498	635,180
Intangible assets (excluding goodwill)	270,413	277,458
Trade receivables	140	237
Derivative financial instruments	450	447
Deferred income tax assets	7,542	7,343
	<u>1,033,456</u>	<u>1,039,656</u>

Current assets

Inventories	120,686	122,250
Production contracts	37,453	36,962
Trade receivables	130,188	115,259
Other receivables and prepayments	37,704	32,723
Derivative financial instruments	-	55
Cash and cash equivalents	29,515	45,523
	<u>355,546</u>	<u>352,772</u>

Total assets

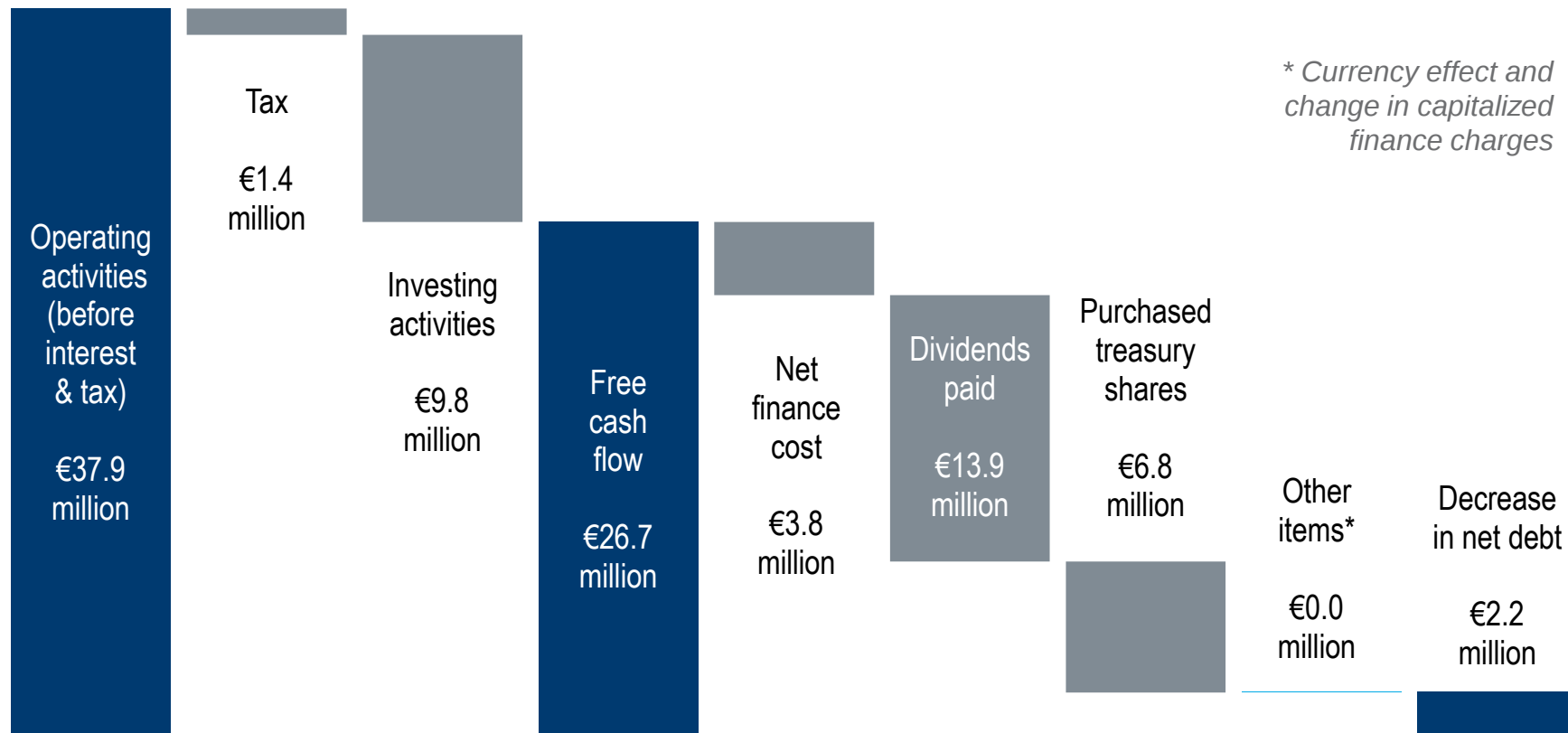
<u><u>1,389,002</u></u>	<u><u>1,392,428</u></u>
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Consolidated: Balance sheet



EQUITY AND LIABILITIES <i>(EUR thousands)</i>	31/3 2017	31/12 2016
Group equity	525,506	525,573
LIABILITIES		
Non-current liabilities		
Borrowings	406,677	425,014
Deferred income tax liabilities	63,130	63,458
Provisions	7,681	7,361
Derivative financial instruments	3,506	4,946
	<u>480,994</u>	<u>500,779</u>
Current liabilities		
Production contracts.....	162,833	150,769
Trade and other payables	170,932	168,980
Current income tax liabilities	14,350	9,081
Borrowings	24,233	24,117
Provisions	10,154	13,129
	<u>382,502</u>	<u>366,076</u>
Total liabilities	863,496	866,855
Total equity and liabilities	<u>1,389,002</u>	<u>1,392,428</u>

Q1 2017 cash flow composition and change in net debt



Amendment and extension of long term financing secured



- Current facility standing at €640 million is extended by 18 months with final maturity in May 2022
- Favorable terms and conditions reflecting financial strength and current market conditions – Initial interest terms EURIBOR / LIBOR +185 bps
- Increased operational and strategic flexibility supporting ambitious growth plan that was introduced at Marel's Annual General Meeting in March 2017
- The agreement is in final documentation

Consortium of seven international banks

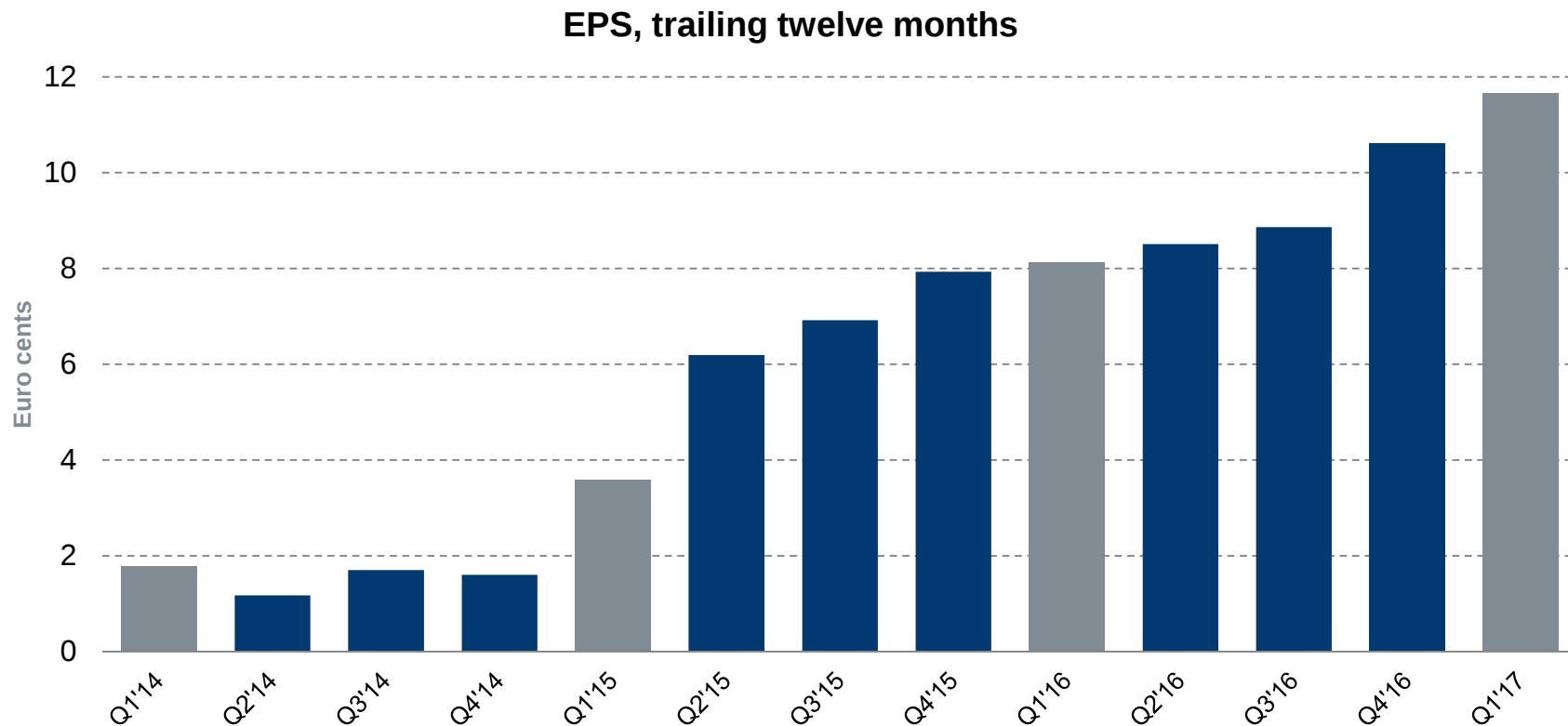


Rabobank



BNP PARIBAS

Favorable development in earnings per share





Business & Outlook

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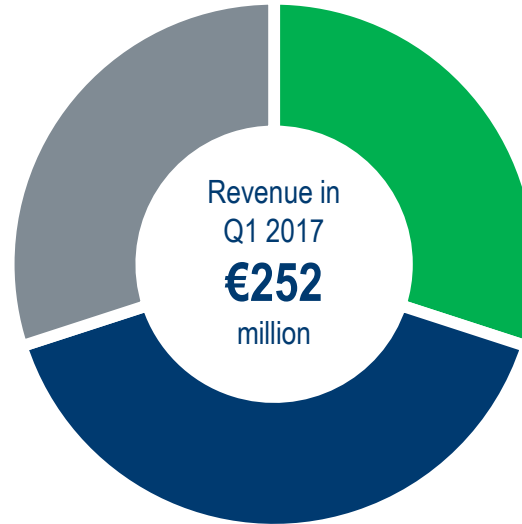


Strong business model supporting future growth



Modernization and standard equipment ►

- Good volume in standard equipment across all industries and geographies



◀ Greenfields

- Greenfield projects secured in Europe, North-America and Asia

Maintenance ▲

- Marel has the largest installed base in its industry
- Recurring service and spare parts revenues have increased steadily and were 38% of total revenues in Q1 2017

Marel invests 6% of revenue in innovation to drive growth



ATLAS live bird handling system



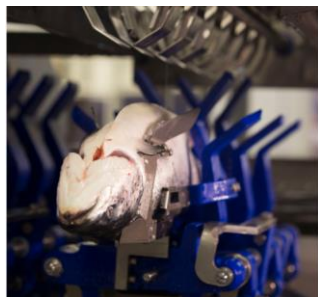
Thigh Fillet System



AMF-i breast cap filleting system



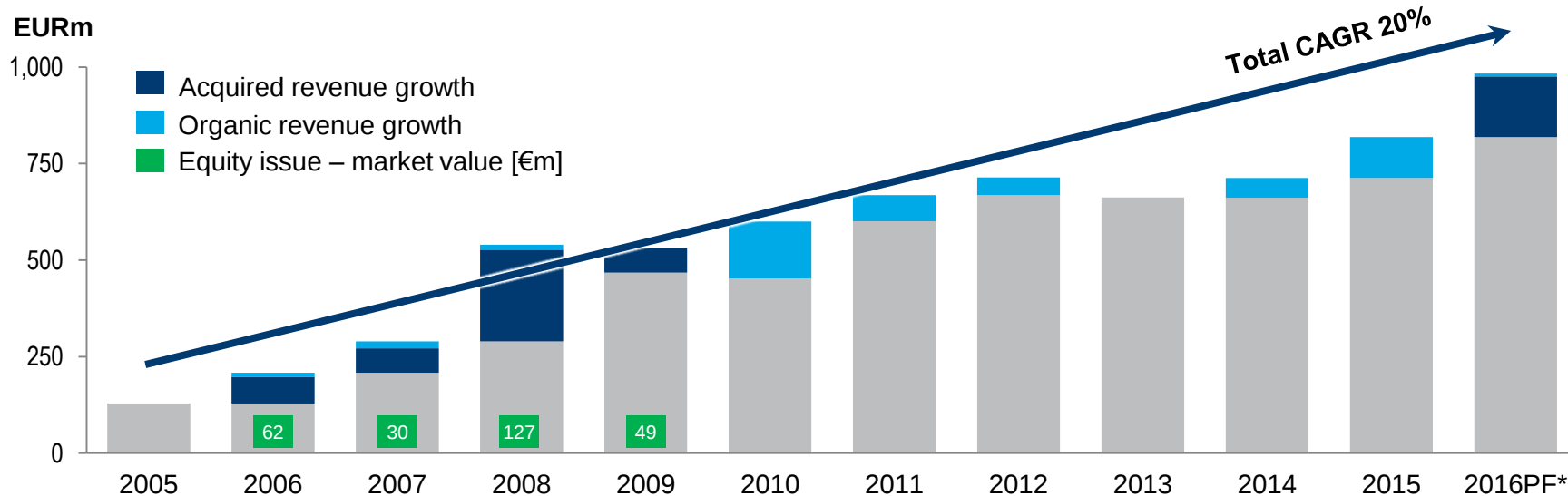
I-Cut 130 PortionCutter



MS 2720 Salmon Deheader

Continuous
stream of
innovations
important
growth driver

Compounded annual revenue growth over 20% since 2005



- Total revenue grew from €129 million in 2005 to €983 million in 2016*
 - Average annual organic growth 6%
 - Average annual acquisition growth 14%
- Good support from shareholders
 - Equity issued totaled €268 million in the period 2006-2009 to finance acquisitions of Scanvaegt and Stork Food Systems
 - MPS acquisition financed with solid operational performance and strong cash flow

* Marel pro forma revenue for 2016

Focus on sustainable long term value creation



Vision

- In partnership with our customers, we are transforming the way food is processed. Our vision is of a world where food is produced sustainably and affordably

Strategy

- Leading global provider of advanced equipment, systems, software and services to the poultry, meat and fish industries across primary, secondary and further processing

Revenue growth and profitability

- Marel is targeting 12% average annual revenue growth in the next 10 years
 - Marel's management expects 4-6% average annual market growth in the long term
 - Marel aims to grow organically faster than the market, driven by innovation and market penetration
 - Maintaining solid operational performance and strong cash flow supports average 5-7% revenue growth by acquisition
 - Marel's management expects Earnings per Share (EPS) to grow faster than revenue

Capital allocation

- Strategic innovation and acquisitions with attractive return on investment
- Invest in the platform to be best-in-class in operations
- Return capital to shareholders

Seafood Processing Global expo in Brussels, Belgium





Thank you

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