

Q1 2020

Investor meeting

21 April 2020



ARNI ODDUR THORDARSON

Chief Executive Officer

LINDA JONSDOTTIR

Chief Financial Officer



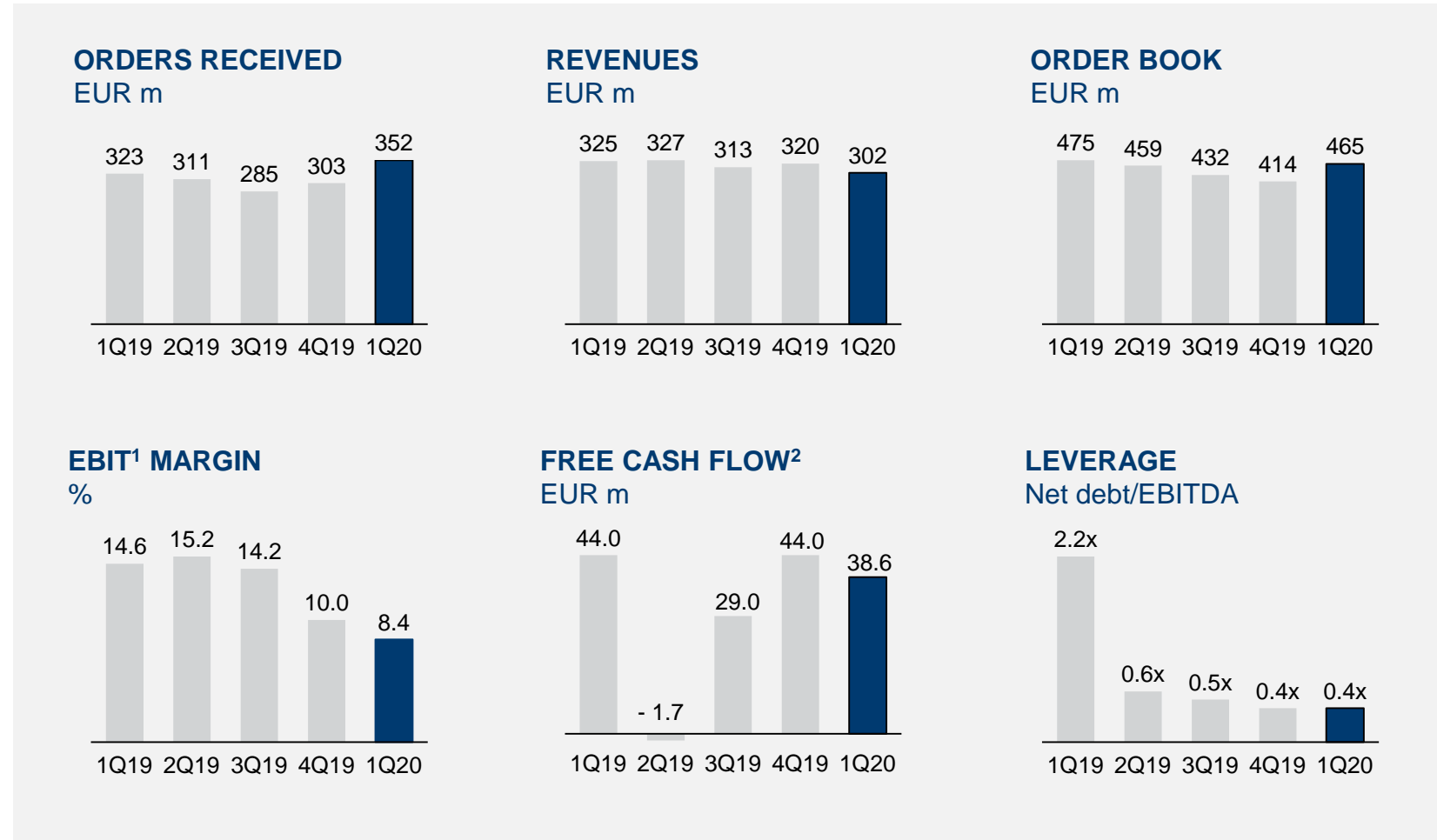
Q1 2020 FINANCIAL HIGHLIGHTS



Orders received at a record level, with 16% increase from the previous quarter and 9% year-on-year

HIGHLIGHTS

- Revenues totaled EUR 302m, compared to EUR 325m in 1Q19
- Continued growth momentum in aftermarket revenues, 41% of total revenues in the quarter
- Book-to-bill ratio was 1.17 and order book stands at 37% of 12 months trailing revenues
- EBIT¹ margin of 8.4% in 1Q20, impacted by lower volume, higher cost due to project delivery and EUR 3m in non-recurring costs related to streamlining initiatives
- Free cash flow² strong at EUR 39m in the quarter, despite inventory buildup and prepayment of taxes
- Net result was EUR 13m (1Q19: EUR 32m)



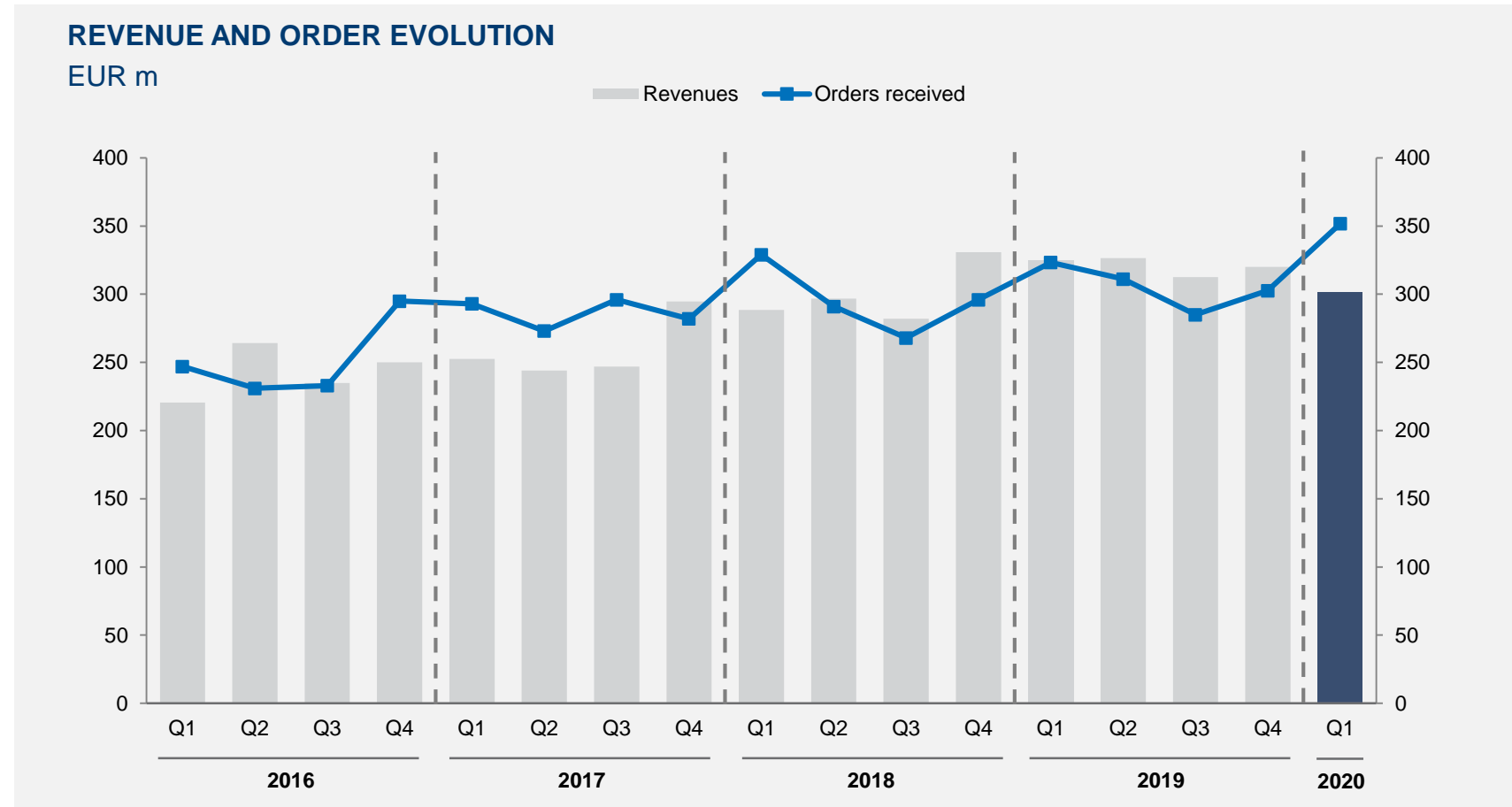
Note: ¹ Operating income adjusted for PPA related costs, including depreciation and amortization. ² Free cash flow defined as cash generated from operating activities less tax and net investments.

RECORD ORDER INTAKE & RESILIENT SERVICE REVENUES



Short cycle and high gross margin standard equipment orders picked up in the quarter. Around 41% of quarterly revenues derive from recurring maintenance, service and spare parts

- Orders received in 1Q20 amounted to EUR 352m, up 8.8% YoY
- Revenues were EUR 302m, 7.1% lower YoY
- Book-to-bill ratio was 1.17, compared to 0.99 in 1Q19
- Order book was 37% of trailing twelve months revenues and primarily constitutes greenfield projects and large projects with longer lead times
- Significant proportion of Marel's revenues derived from the service and spare parts business, in total around 41% of 1Q20 revenues



BALANCED REVENUE MIX

Global reach and focus on full-line offering across the poultry, meat and fish industries counterbalance fluctuations in customer demand

POULTRY



EUR 151.1m revenues 1Q20
12.0% EBIT margin 1Q20

- Revenues in 1Q20 down 13.2% year-on-year
- Revenues in 1Q20 are a reflection of the softer order book in 2H19
- Orders received in 1Q20 were at the highest level ever in Poultry. These were well balanced by geography, product mix and size of projects
- Poultry is the least impacted by the pandemic due to its convenience and affordability of the protein and processors' ability to adapt to supply relatively quickly
- Healthy order book serves as a good base for improved profitability of Marel Poultry throughout the year

• **Full-line offering with one of the largest installed bases world-wide**, focus on roll-out of innovative products and market penetration through **cross-selling of secondary and further processing solutions**

MEAT



EUR 103.6m revenues 1Q20
4.4% EBIT¹ margin 1Q20

- Revenues in 1Q20 up 2.8% year-on-year
- Operational results impacted by product mix and logistical challenges due to the pandemic, that resulted in lower utilization in manufacturing hubs in China, Germany and Brazil due to precautionary social distancing protocols
- Orders received in 1Q20 were slower than expected as customer decision making was delayed
- Marel is in a good position to support the modernization of the pork value chain in China
- Management is targeting medium and long term EBIT¹ margin expansion for Marel Meat

Full-line offering since 2016, focus going forward on **strong product development, increased standardization, modularization and market penetration and further cross-selling and up-selling**

FISH



EUR 39.4m revenues 1Q20
4.3% EBIT margin 1Q20

- Revenues in 1Q20 down 3.0% year-on-year
- Good level of orders received in 1Q20 for both projects and aftermarket
- The fish industry is adapting towards frozen and processed products as foodservice demand shifts towards home consumption. May lead to updating factories to increase production of pre-packed portions
- Management is targeting medium and long-term EBIT margin expansion for Marel Fish

Aim to fill certain primary processing applications with innovation and / or M&A to **accelerate full-line offering of data-driven processing focused on salmon, wild whitefish and farmed whitefish**

FINANCIAL PERFORMANCE

LINDA JONSDOTTIR

Chief Financial Officer

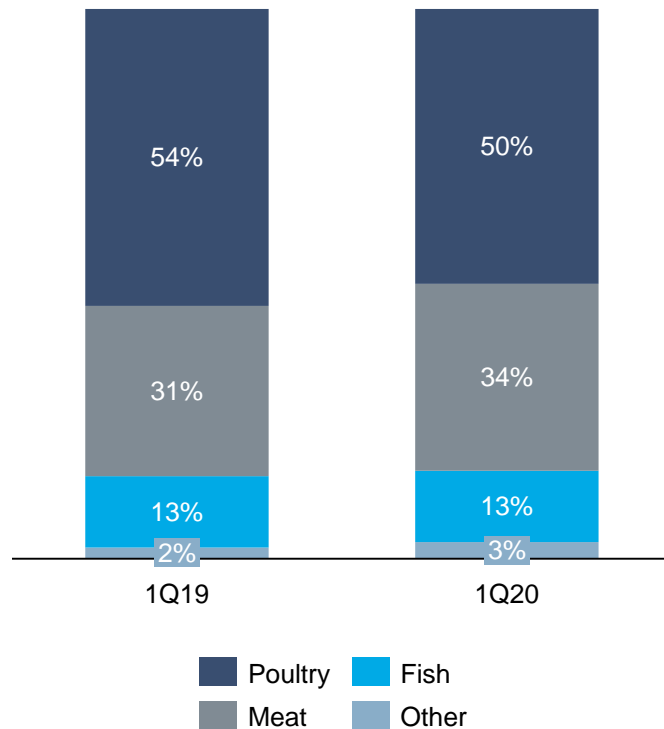


GOOD QUALITY OF EARNINGS

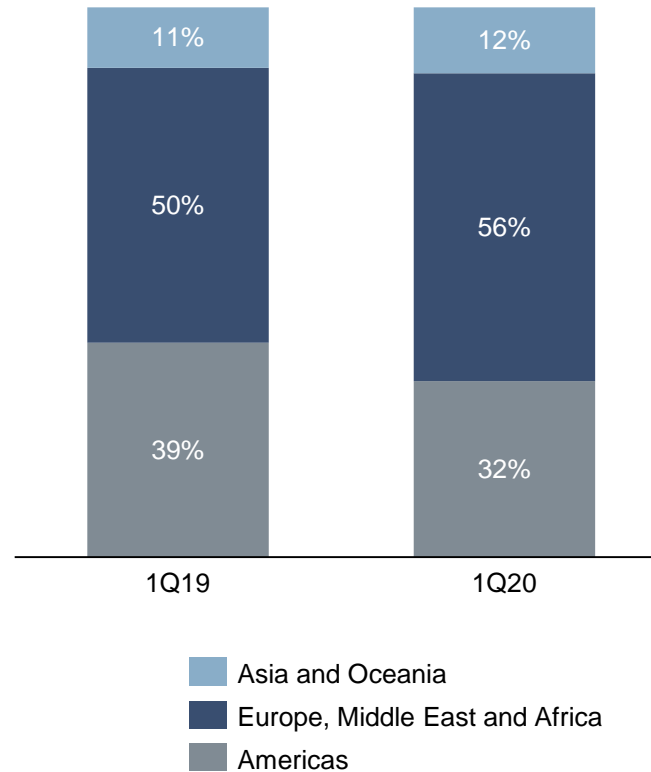


Strong track record of a well diversified revenue structure across industries, geographies and business mix

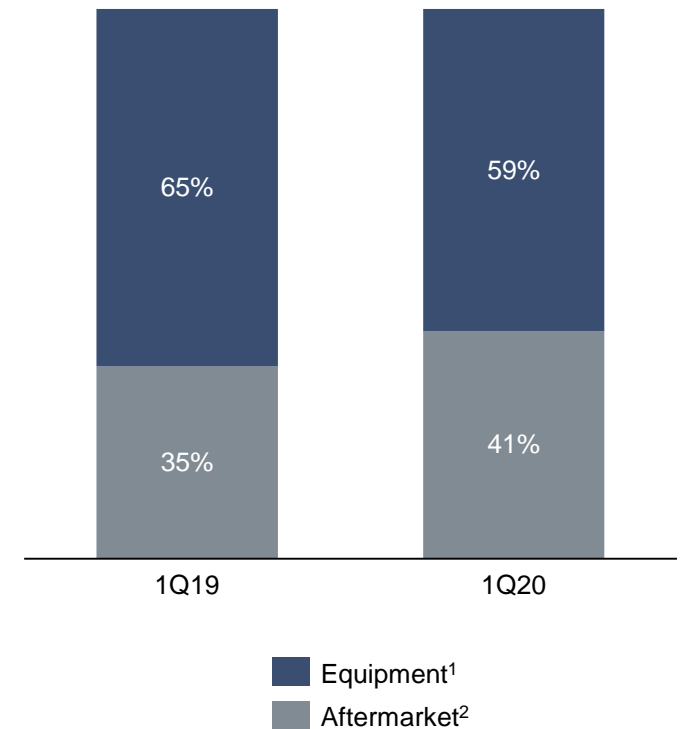
REVENUES BY INDUSTRY
%



REVENUES BY GEOGRAPHY
%



REVENUES BY BUSINESS MIX
%



Note: ¹ Equipment revenues are comprised of revenues from greenfield and large projects, standard equipment and modernization equipment, and related installations.

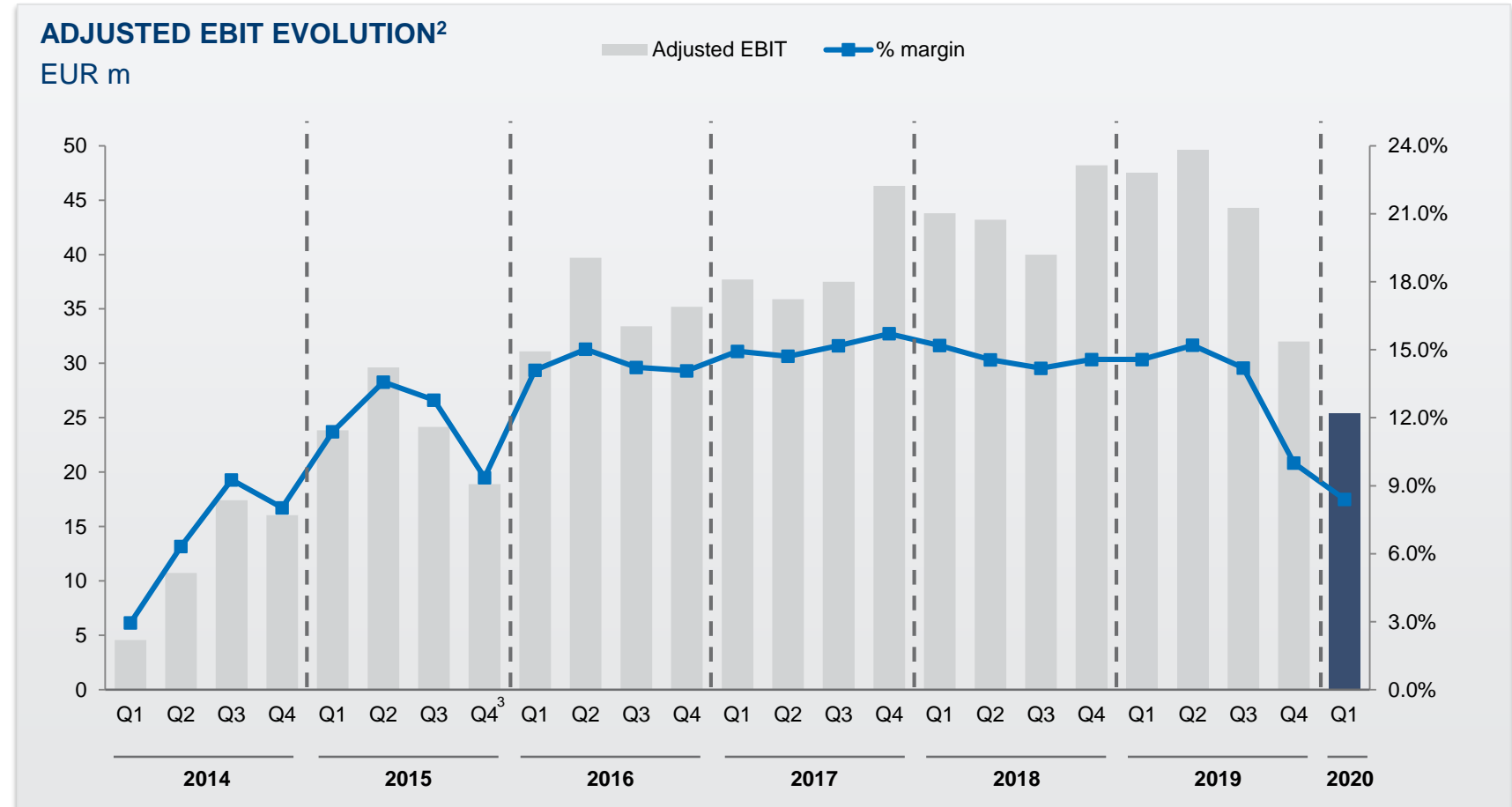
² Aftermarket revenues are comprised of revenues from maintenance, service and spare parts.

OPERATIONAL PERFORMANCE



Revenues and profitability expected to gradually increase through the course of 2020

- Gross profit margin at 35.6%, while 38.6% in 1Q19
- Operational expenses
 - S&M at 13.4% (1Q19: 11.5%)
 - G&A at 7.9% (1Q19: 6.2%)
 - R&D at 5.8% (1Q19: 6.3%)
- EBIT¹ margin of 8.4% in 1Q20 (1Q19: 14.6%), impacted by lower volume, higher cost due to project delivery and EUR 3m one off cost related to streamlining
- Streamlining initiative announced earlier in the year is ongoing and will continue throughout the year, lowering the cost base
- Actions that have been taken will deliver EUR 6m cost savings on an annual basis
- Fluctuations in EBIT¹ margins quarter on quarter can be expected, due to product mix and timing of large projects



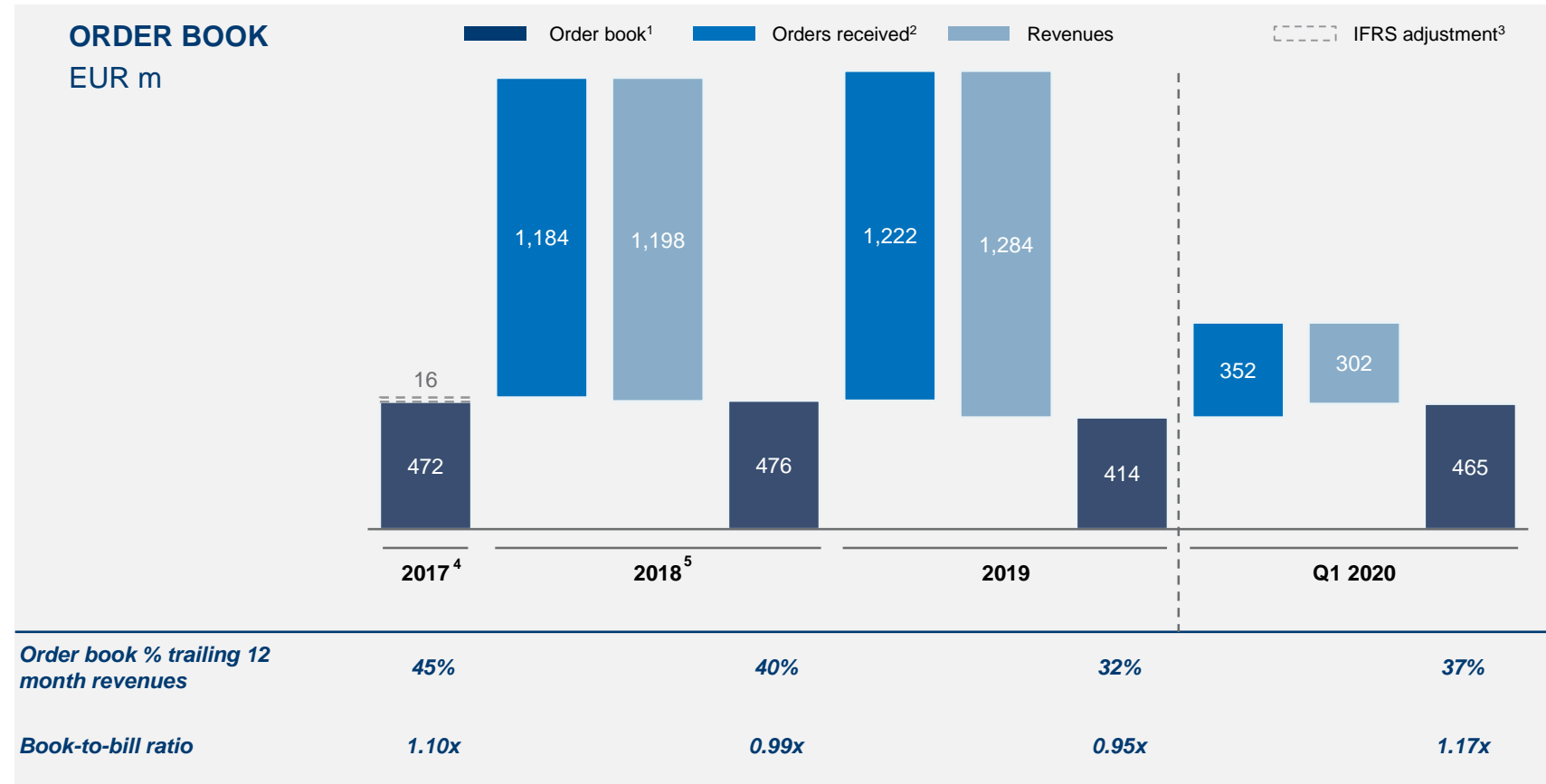
Note: ¹ Operating income adjusted for PPA related costs, including depreciation and amortization ² Adjusted for PPA costs related to acquisitions, from 2016 – 2020 and refocusing costs in 2014 and 2015 relating to “Simpler, Smarter, Faster” programme. PPA refers to amortization of acquisition-related (in) tangible assets. ³ Adjusted EBIT in Q4 2015 is not adjusted for 3.3m cost related to the MPS acquisition, which was described in the Company’s Q4 2015 report and recorded in general and administrative expenses.

ORDER BOOK AT HEALTHY LEVEL



A healthy order book provides a good foundation for the rest of the year

- Order book at the level of EUR 465m, compared to EUR 414m at year-end 2019
- Order book consists of orders that have been signed and financially secured with down payments and/or letters of credit for the outstanding amount
- Vast majority of the order book are greenfield projects while spare parts and standard equipment run faster through the system
- Well diversified order book by size with widely spread delivery times
- Low customer concentration with no customer accounting for >5% of the total revenues on an annual basis



Source: Company information. Note: ¹ The order book reflects Marel's estimates, as of the relevant order book date, of potential future revenues to be derived from contracts for equipment, software, service and spare parts which have been financially secured through down payments and/or letters of credit in line with the relevant contract terms. These estimates reflect the estimated total nominal values of amounts due under the relevant contracts less any amounts recognised as revenues in Marel's financial statements as of the relevant order book date.

² Orders received represents the total nominal amount, during the relevant period, of customer orders for equipment, software, service and spare parts registered by Marel. ³ One-time effect related to the adoption of IFRS 15. ⁴ Including acquired order book of Sulmaq of EUR 17m. ⁵ Including acquired order book of MAJA of EUR 2m.

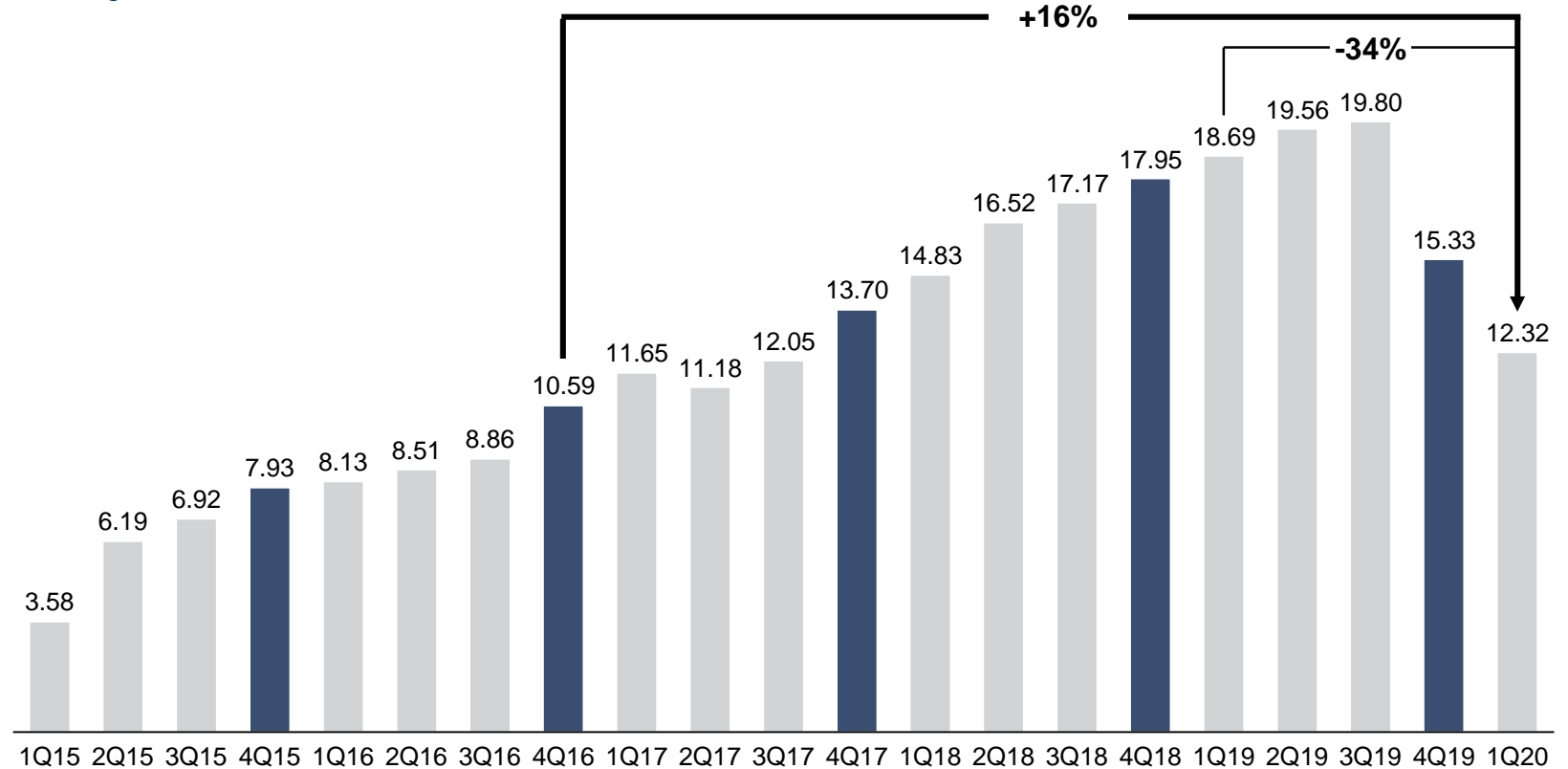
EARNINGS PER SHARE



Marel's management targets Earnings per Share to grow faster than revenues

- Cash flow reinvested in innovation, infrastructure and global reach to sustain growth and value creation
- An offering of 100 million shares issued and sold in connection with the dual listing in 2Q19, increasing the total share capital to 771 million shares
- 2020 AGM approved a dividend of EUR 5.79 cents per share for the operating year 2019, or 40% of net results (39% increase per share compared to prior year)
- Dividends paid out in recent years within the targeted dividend policy of 20-40% of net profit
- On 10 March 2020, the Board initiated a new share buyback program for up to 25m shares, or around 3.2% of share capital

EARNINGS PER SHARE (EPS)
Trailing twelve months, euro cents



INCOME STATEMENT: Q1 2020



Revenues in Q1 2020 were EUR 302 million with an adjusted EBIT of EUR 25 million or 8.4% EBIT margin. Gross profit was EUR 107 million or 35.6% of revenues.

In EUR million	Q1 2020	Of revenues	Q1 2019	Of revenues	Change
Revenues	301.6		324.6		- 7.1%
Cost of sales	(194.3)		(199.2)		+ 2.5%
Gross profit	107.3	35.6%	125.4	38.6%	- 14.4%
Selling and marketing expenses	(40.5)	13.4%	(37.3)	11.5%	- 8.6%
General and administrative expenses	(23.9)	7.9%	(20.0)	6.2%	- 19.5%
Research and development expenses	(17.5)	5.8%	(20.6)	6.3%	+ 15.0%
Adjusted result from operations¹	25.4	8.4%	47.5	14.6%	- 46.5%
PPA related costs	(2.6)		(2.6)		0.0%
Result from operations	22.8	7.6%	44.9	13.8%	- 49.2%
Net finance costs	(5.0)		(3.8)		- 31.6%
Share of results of associates	0.0		-		+ 100.0%
Result before income tax	17.8		41.1		- 56.7%
Income tax	(4.4)		(8.9)		+ 50.6%
Net result	13.4	4.4%	32.2	9.9%	- 58.4%

Note: The income statement as presented above provides an overview of the quarterly Adjusted result from operations, which management believes to be a relevant Non-IFRS measurement.

¹ Operating income adjusted for PPA related costs, including depreciation and amortization

BALANCE SHEET: ASSETS



Q1 2020 Condensed Consolidated Interim Financial Statements

- Inventories rising because of a strategic stock build-up of fast moving and critical parts
- Trade and other receivables improving due to more favorable timing of invoicing and lower turnover in the quarter
- Cash balance high because of the equity issuance around the listing and a EUR 600m draw down on long-term syndicated credit facility as a precautionary measure

ASSETS

In EUR million	31/03 2020	31/12 2019	Change
Property, plant and equipment	178.4	181.4	- 1.7%
Right of use assets	37.0	36.4	+ 1.6%
Goodwill	644.1	645.8	- 0.3%
Intangible assets (excluding goodwill)	250.2	252.4	- 0.9%
Investments in associates	15.6	15.6	0.0%
Trade and other receivables	2.7	2.1	+ 28.6%
Deferred income tax assets	12.7	11.9	+ 6.7%
Non-current assets	1,140.7	1,145.6	- 0.4%
Inventories	173.8	166.8	+ 4.2%
Contract assets	42.3	38.3	+ 10.4%
Trade receivables	139.1	160.0	- 13.1%
Other receivables and prepayments	54.6	46.8	+ 16.7%
Cash and cash equivalents	695.1	303.7	+ 128.9%
Current assets	1,104.9	715.6	+ 54.4%
TOTAL ASSETS	2,245.6	1,861.2	+ 20.7%

BALANCE SHEET: EQUITY AND LIABILITIES



Q1 2020 Condensed Consolidated Interim Financial Statements

- Leverage ratio at 0.4x following the share capital increase in connection with the dual listing
- Leverage well under the targeted capital structure of 2-3x net debt / EBITDA
- Secure liquidity at EUR 762m at quarter-end and financed until 2025
- Financial strength to support strategic growth in line with the company's growth targets
- The higher contract liabilities reflect the strengthened order book
- Other payables increase due to dividend being declared in 1Q20 but paid in 2Q20

EQUITY AND LIABILITIES

In EUR million	31/03 2020	31/12 2019	Change
Group equity	902.4	955.8	- 5.6%
Borrowings	741.7	333.5	+ 122.4%
Lease liabilities	28.9	28.4	+ 1.8%
Deferred income tax liabilities	55.5	55.5	0.0%
Provisions	11.4	10.6	+ 7.5%
Other liabilities	1.7	5.1	- 66.7%
Derivative financial instruments	4.2	3.0	+ 40.0%
Non-current liabilities	843.4	436.1	+ 93.4%
Contract liabilities	229.1	217.5	+ 5.3%
Trade and other payables	247.0	200.5	+ 23.2%
Current income tax liabilities	5.0	3.7	+ 35.1%
Borrowings	-	30.6	- 100.0%
Lease liabilities	8.7	8.8	- 1.1%
Provisions	10.0	8.2	+ 22.0%
Current liabilities	499.8	469.3	+ 6.5%
Total liabilities	1,343.2	905.4	+ 48.4%
TOTAL EQUITY AND LIABILITIES	2,245.6	1,861.2	+ 20.7%

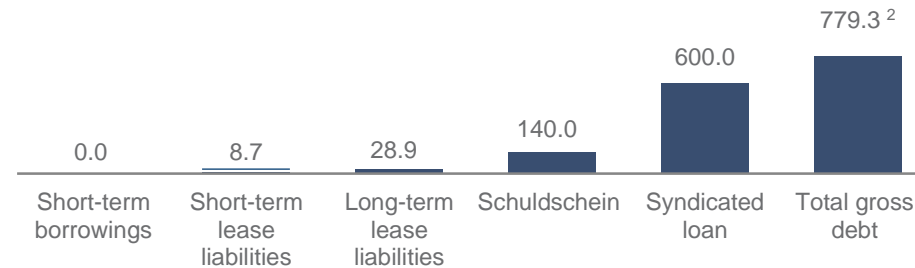
BALANCE SHEET RESILIENCE

Strong balance sheet allows Marel to continue to deliver the right quality and to take a leading role in the upcoming industry consolidation

- In February, Marel signed a new senior EUR 700m sustainability linked syndicated revolving credit facility with improved interest terms
- The new multi-currency credit facility will replace the previous facility
- Opening margin of EURIBOR/LIBOR +80bps that will vary in line with leverage ratio and sustainability KPIs
- Five year tenor and two one-year uncommitted extension options
- In March, Marel drew EUR 600m from the new credit facility as a precautionary measure to increase its flexibility and ability to react to unforeseen future business needs due to the pandemic
- Secured liquidity at EUR 762m at quarter-end and financed until 2025
- Long history with a strong banking group

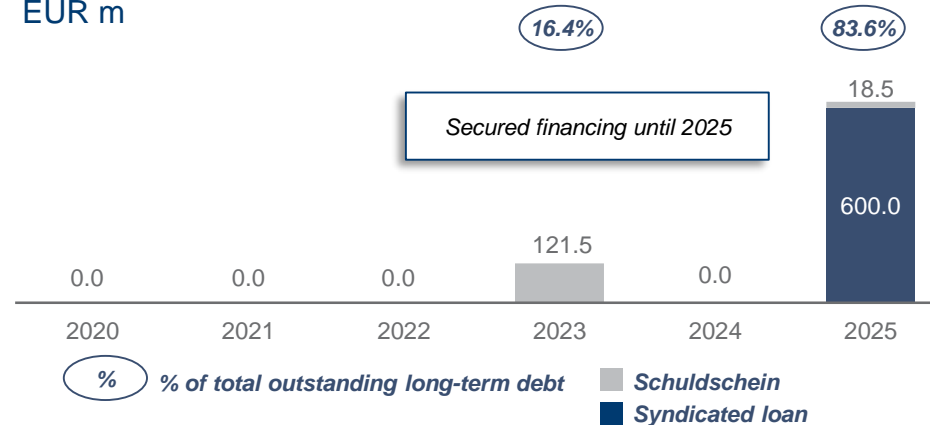
TOTAL BORROWINGS AND LIABILITIES¹

EUR m

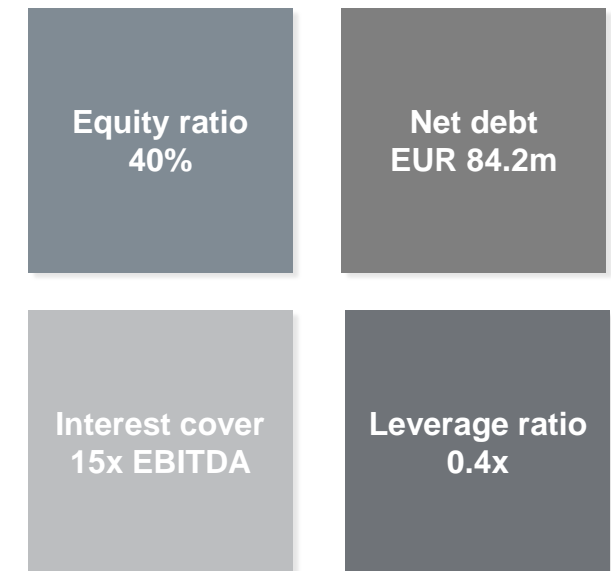


BORROWING MATURITY SCHEDULE

EUR m



BORROWER PROFILE



Targeted capital structure of 2-3x net debt / EBITDA

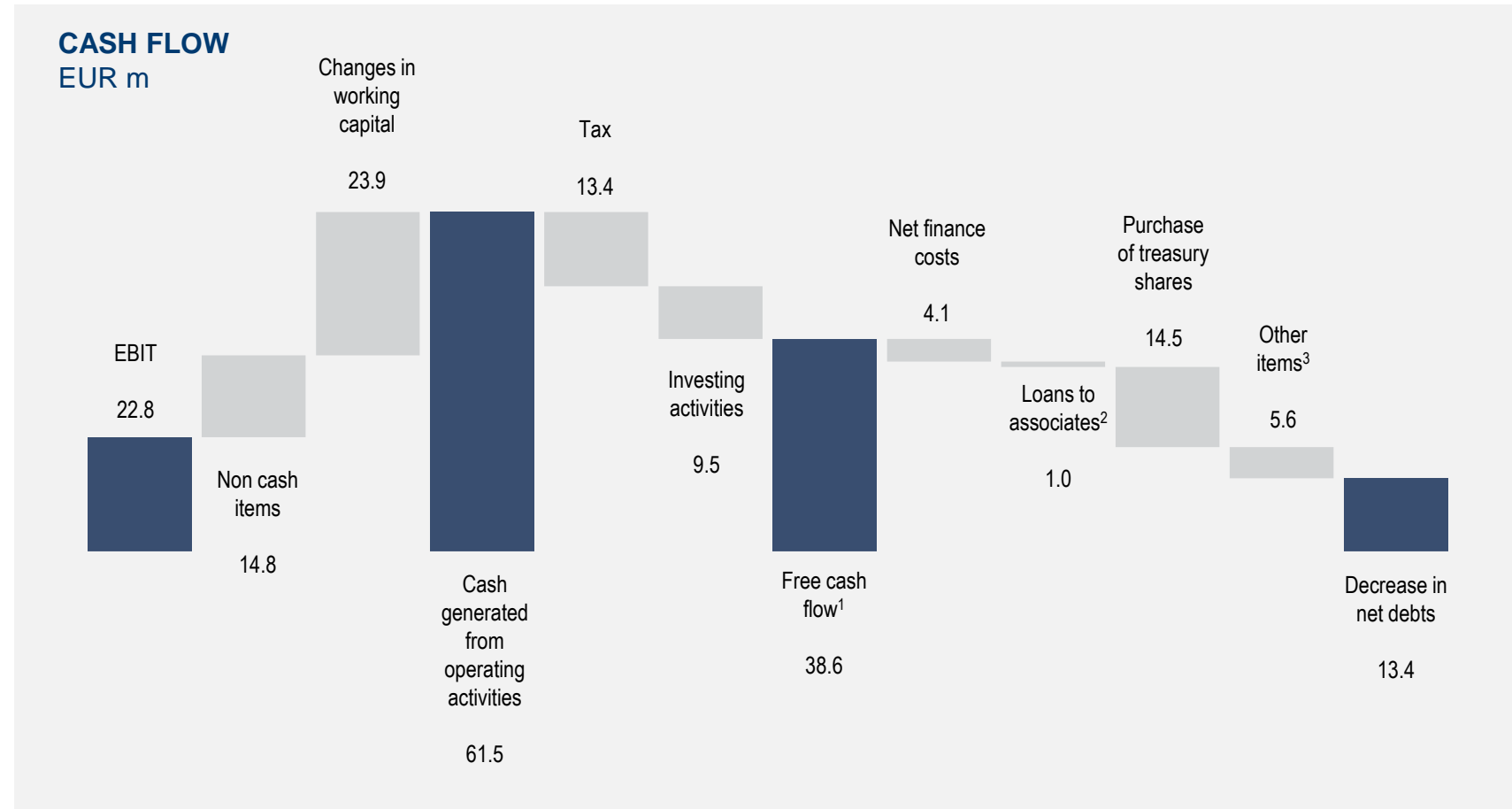
Note: ¹ Excluding short-term non-financial liabilities. ² Includes other debt.

STRONG CASH FLOW GENERATION



Operational cash flow in the quarter was EUR 62 million and free cash flow amounted to EUR 39 million

- Cash flow, both operational and free cash flow was strong in the quarter, allowing for operational and strategic flexibility
- Upfront cost for new syndicated loan facility included in net finance costs
- Taxes paid were EUR 13.4m in the quarter compared to EUR 4.8m for the period in 2019, affected by timing of tax payments
- Cash flow from investment activities of EUR 10.5m is at similar levels as 1Q19 (EUR 10.8m)
- Marel continues to invest in its business and improving the ways of working
- Capital expenditures are reviewed regularly

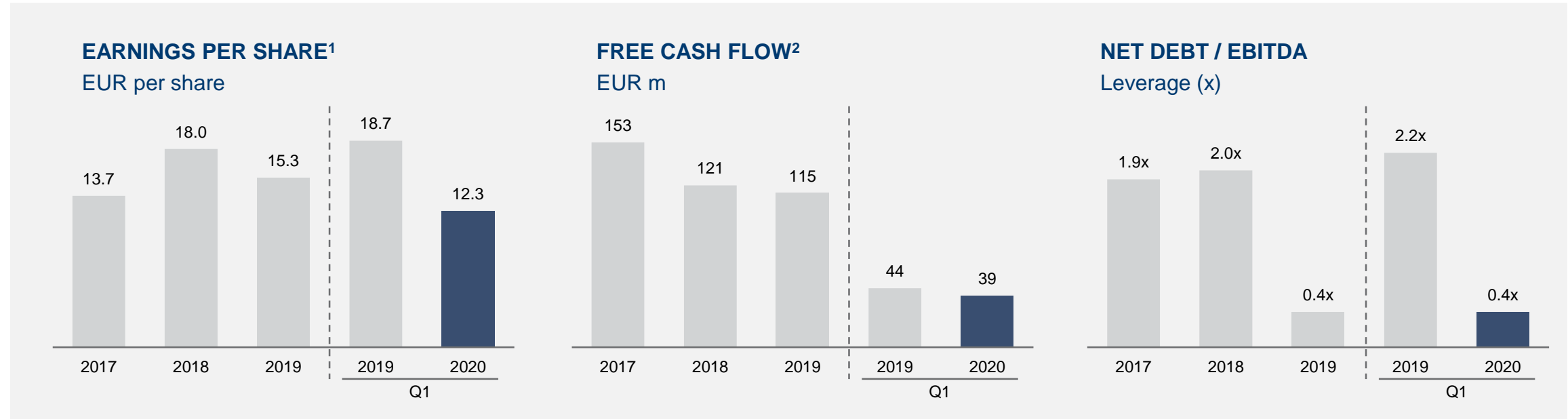


Note: ¹ Free cash flow defined as cash generated from operating activities less tax and net investments.
² Loan to Curio for EUR 1.0m ³ Currency effect, change in capitalized finance charges and changes of lease liabilities

KEY PERFORMANCE METRICS



Proven track record of earnings results and value creation



EPS expected to grow faster than revenues

- In the period 2017-2026, Marel's management expects basic earnings per share to grow faster than revenues
- Focus on margin expansion in Marel Meat and Marel Fish and overall operational improvement and value creation

Solid cash flow generation

- Free cash flow was EUR 38.6m in the quarter (compared to EUR 44.0m in 1Q19)
- Taxes paid were EUR 13.4m in the quarter compared to EUR 4.8m for the period in 2019, affected by timing of tax payments
- Marel continues to invest in the business to prepare for future growth with the objective to achieve its full potential

Capacity for further growth

- Net debt / EBITDA at 0.4x following the 15% share capital increase in connection with the dual listing
- Financial strength will facilitate future strategic moves in line with the company's growth strategy

Note: ¹ Basic earnings per share, trailing twelve months. ² Free cash flow defined as cash generated from operating activities less tax and net investments.

BUSINESS & OUTLOOK

ARNI ODDUR THORDARSON

Chief Executive Officer



Every person counts

Located in over 30 countries across six continents, Marel is a vibrant community of people who are passionate about transforming food processing.

Their talent, skill, and dedication are the driving force of our success, and we make it our mission to ensure their wellbeing and help them thrive.



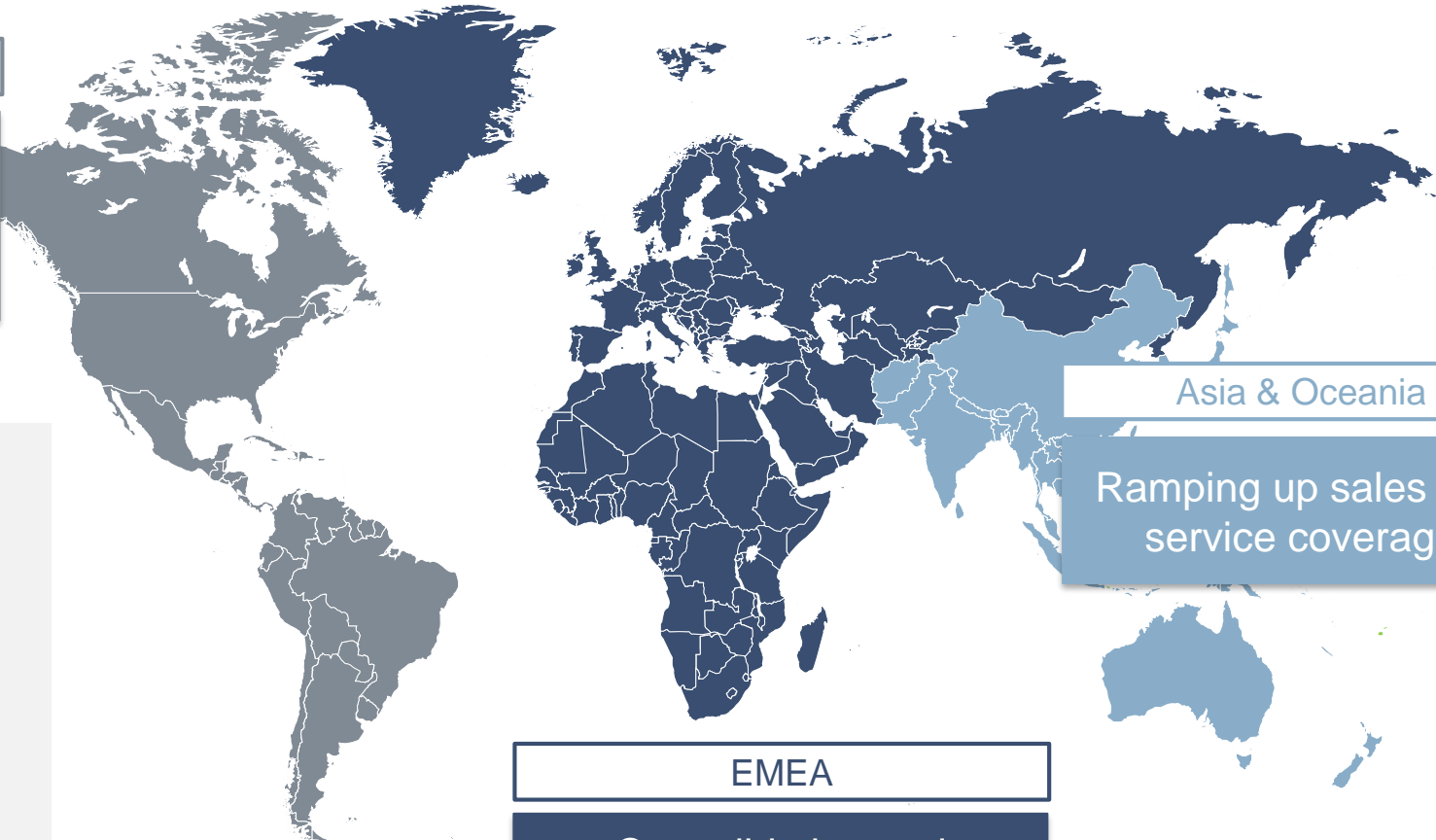
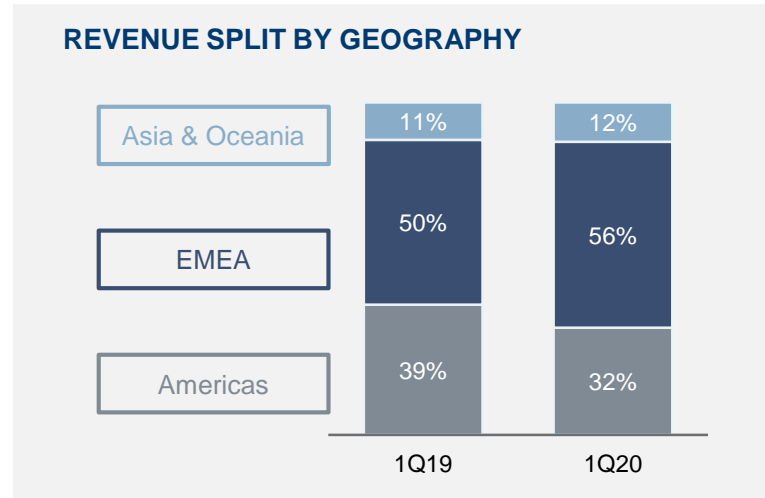
GLOBAL REACH

Marel enjoys a strong foothold in Europe, the US and Latin America and continues to build up the frontline in sales and service in Asia and Oceania, while streamlining the global backend

Americas
Well positioned in market coverage both in N-America and LatAm

Asia & Oceania
Ramping up sales and service coverage

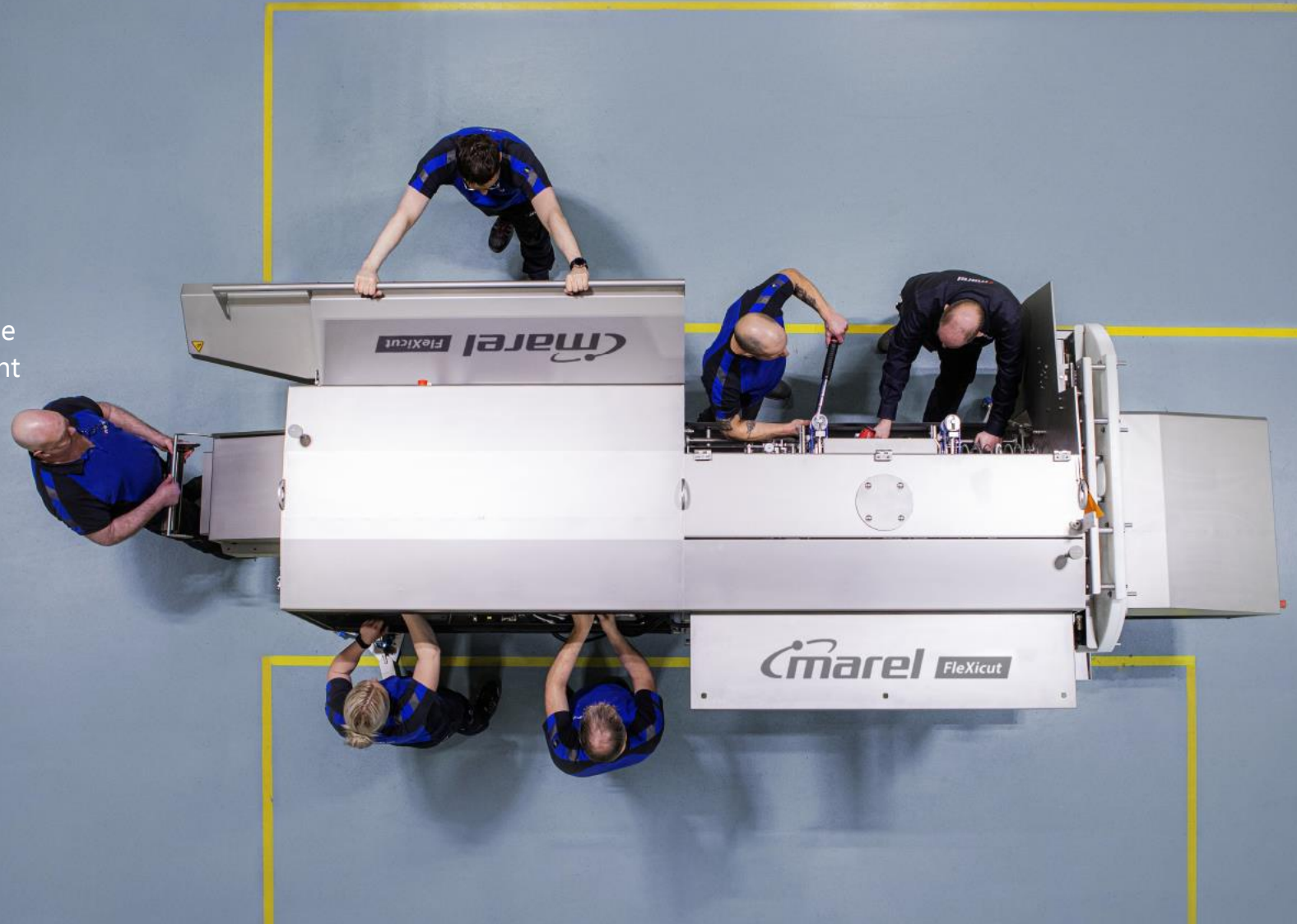
EMEA
Consolidating and streamlining global backend



Every role counts

One of the keys to maximizing our customers' production efficiency and competitive edge is excellent service provided by a synchronized and skilled team of experts.

Whether a spare part or an entire product range, our global sales and service team is ready and able to assist our customers and keep them on the right track, swiftly and surely.



LAUNCH OF A NEW ONLINE EVENT PLATFORM



Current circumstances have led us to expedite new ways of working, ensuring we have a platform that facilitates customer engagement and showcase the most recent innovations



- Marel Live is a new online platform showcasing groundbreaking topics present by industry experts at Marel
- This new online platform reinforces our position as an industry leader, and shows we are at the forefront of thought leadership in our field
- An innovative way to meet, learn and share knowledge in an online setting



- The first Marel Live event took place 1-2 April 2020
- A great turnout with more than 350 external participants and about 200 internal participants
- An event focused on the latest software trends and topics in the food processing industry:
 - Sustainability – The new frontier in food processing
 - Significance of traceability
 - Innova, the road ahead
 - Digital transformation in food processing



21-22 April 2020

A virtual expo of smarter fish processing

13 May 2020

Protect your brand: the power of inspection technology in food processing

28 May 2020

Automation in pig processing

16 June 2020

Transformation through traceability

Every part counts

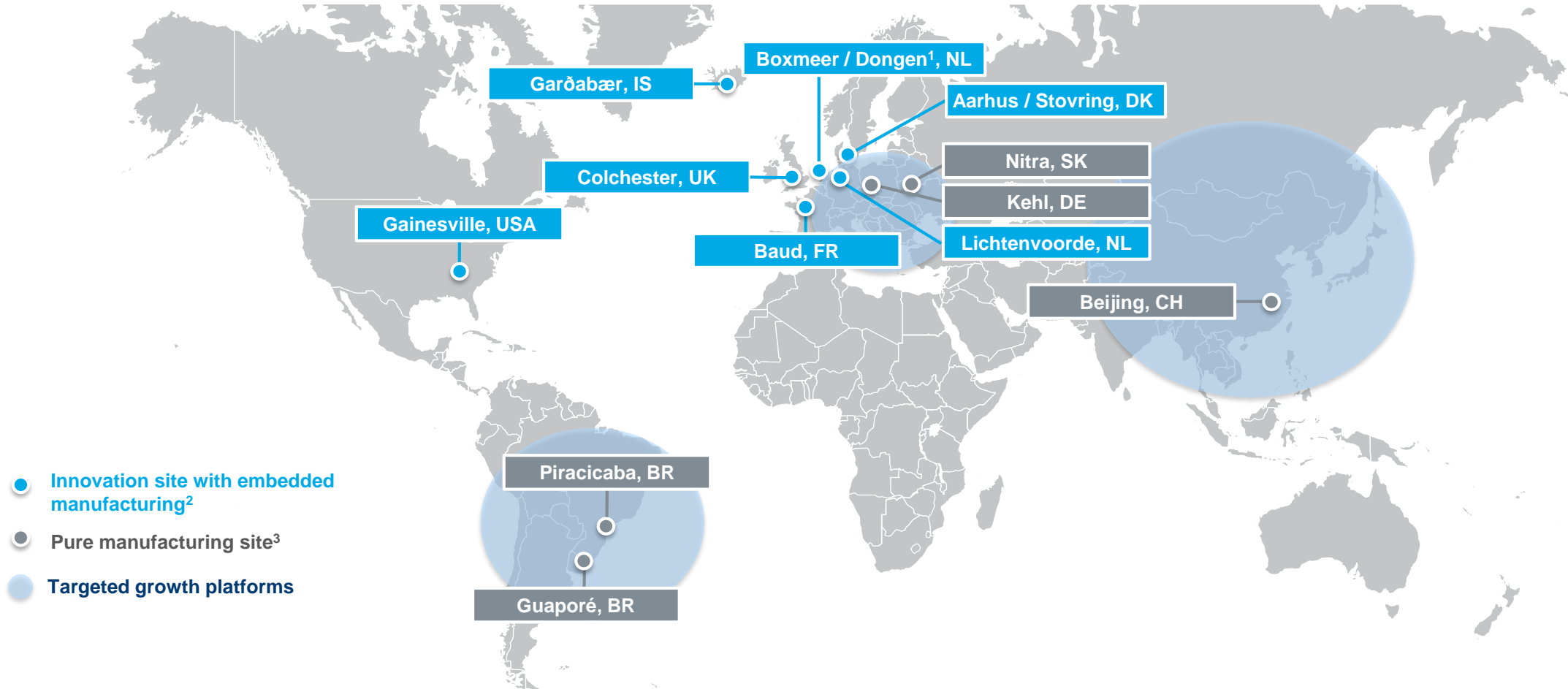
When it comes to groundbreaking innovations, is the whole greater than the sum of its parts? Absolutely.

Our global supply chain is built on quality, responsiveness, and efficiency. Our solutions can work at full capacity at all times, minimizing downtime, maximizing yield and preserving nature's precious resources.

GLOBAL MANUFACTURING PLATFORM



13 manufacturing sites strategically positioned around the world to strengthen Marel's manufacturing footprint, increase flexibility and scalability and enable further access to talent



Source: Company information. Note: ¹ Counted as one manufacturing site. ² Mother site location. ³ Co-location.

RESPONSE TO COVID-19 AND IMPACT ON MAREL



Marel is a critical infrastructure company for the poultry, meat and fish processing industry. Focus is on maintaining productivity of all manufacturing sites while keeping employees and customers safe.

<p>CURRENT SITUATION</p>	<ul style="list-style-type: none"> • Marel is a critical infrastructure company in the food industry and all of Marel’s manufacturing sites are classified as essential. • All of Marel’s manufacturing sites are open though not all sites are at full capacity. Marel and its suppliers are ensuring continuity of supply thusfar. • In January, Marel implemented a global task force internally with 15 regional crisis management teams. • Marel has re-organized its manufacturing sites to ensure business continuity and safety for its people. • Marel has systemically built up safety stock of spare and make parts across locations to serve strong demand and ensure timely delivery. • Marel is committed to serving its customers around the world despite the logistical challenges. Marel has set up a structure for remote support, offering maintenance jobs overnight to keep customers and employees safe. • Installations are ongoing, like the greenfield installation in China in March that was supported virtually by the global team. In the current environment installations can take additional time, leading to higher cost of delivering to Marel’s customers. • Marel Live, a new online platform and virtual equipment demonstrations have been launched. • New product development in good progress with increased use of virtual reality.
<p>STRENGTHS</p>	<ul style="list-style-type: none"> • Marel has a global manufacturing footprint. Marel’s co-location strategy means that every product has a mother site and a significant part of our standard equipment can be manufactured in two or three sites, increasing flexibility in production and reducing supply chain risk. • After strengthening the regional leadership teams and infrastructure in key growth regions, Marel is closer to its customers and better able to mitigate the current challenges. • Own sales and service engineers residing in more than 30 countries. • Long-term partnership with customers and strong customer retention. Diversified customer base. • Around 41% of Marel’s revenues in 1Q20 derived from recurring service and spare parts revenues. • Marel is financially strong, with Net debt/EBITDA leverage at 0.4x. • Secured liquidity at EUR 762m at quarter-end. Financing secured until 2025. • Good support from shareholders since listing on Nasdaq Iceland in 1992 and on Euronext Amsterdam in June 2019.
<p>CHALLENGES AND OPPORTUNITIES</p>	<ul style="list-style-type: none"> • Marel is finding smarter ways of working to counter higher costs due to the pandemic. COVID-19 has accelerated our offering of online and remote assistance. • Food processors are seeking ways to divert capacity to increase supply to retail, as foodservice demand shifted towards at home consumption. This may lead to updating factories to increase production of pre-packed portions. • The pandemic might lead to further automation in the industry and possibly accelerate the need to modernize food production in Asia. • Opportunity for Marel to take on a leading role in the potential upcoming industry consolidation.

NEW EXECUTIVE TEAM AS OF 9 MARCH 2020



Executive Team consolidated from twelve to nine members, a leaner management team and clearer accountability will sharpen market focus, shorten time to market and reduce the cost base



Arni Oddur Thordarson
Chief Executive Officer (2013)

15 years with Marel
15 years within industry



Roger Claessens
EVP Marel Poultry

19 years with Marel / 19 years industry related



David Wilson
EVP Marel Meat

22 years with Marel / 25 years industry related



Ulrika Lindberg
EVP Global Markets & Services

2 years with Marel / 23 years industry related



Linda Jonsdottir
CFO and EVP Finance, IT and HR

10 years with Marel / 10 years industry related



Gudbjorg Heida Gudmundsdottir
EVP Marel Fish

9 years with Marel / 9 years industry related



Anna Kristin Palsdottir
EVP Innovation

4 years with Marel / 4 years industry related



Folkert Bölger
EVP Global Supply Chain

4 years with Marel / 4 year industry related



Arni Sigurdsson
CSO and EVP Strategic Business Units

6 years with Marel / 9 years industry related

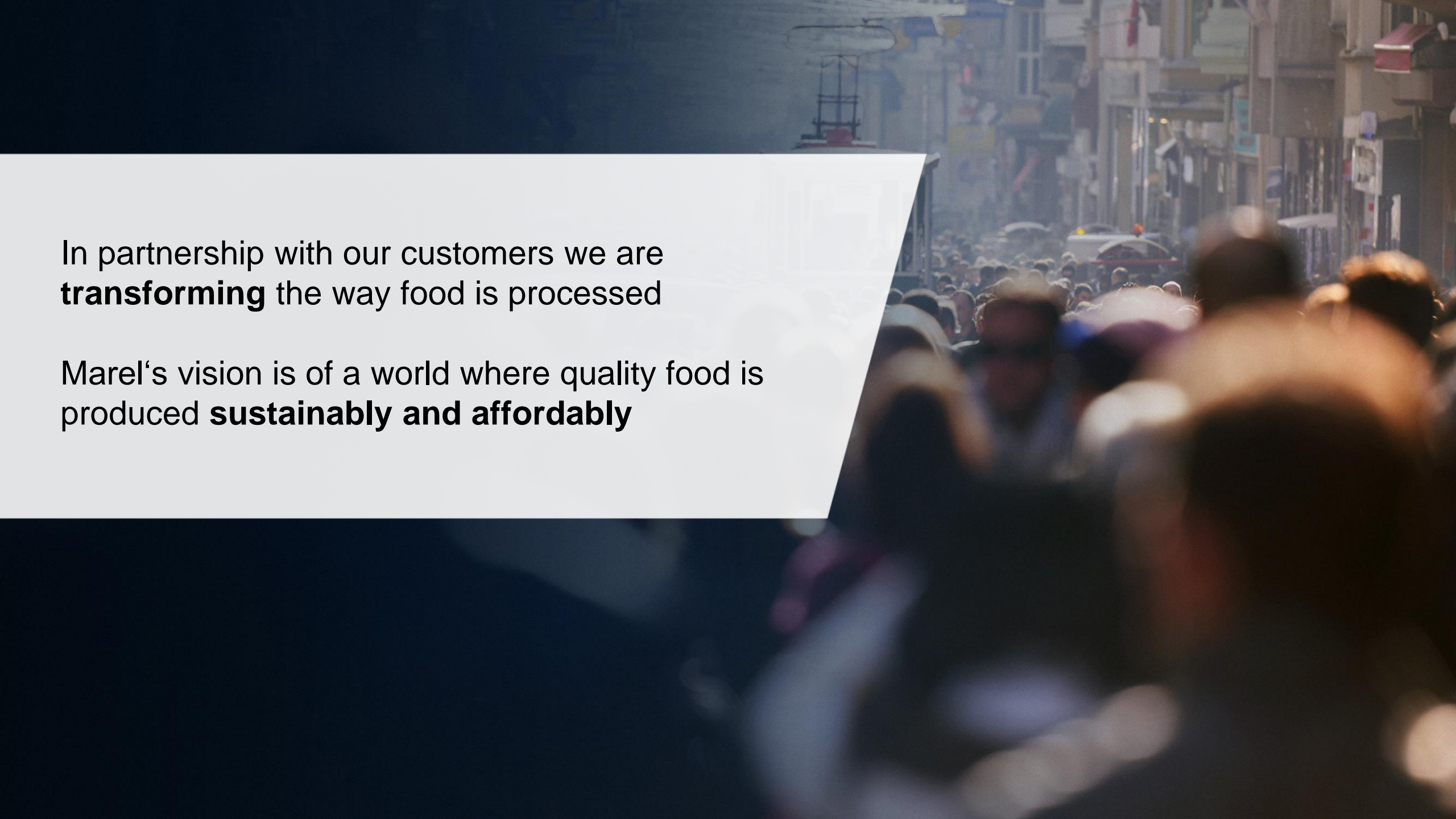
FINANCIAL TARGETS AND DIVIDEND POLICY



Marel is targeting 12% average annual revenue growth from 2017-2026 through market penetration and innovation, complemented by strategic partnerships and acquisitions

	FY18	FY19	1Q20	TARGET	
Revenue growth¹	Organic	12.5%	5.4%	-	<p>Market conditions have been challenging due to geopolitical uncertainty and the current COVID-19 pandemic. Marel enjoys a balanced exposure to global economies and local markets through its global reach, innovative product portfolio and diversified business mix.</p> <p>At the moment it is not known what the full economic impact of COVID-19 will have on Marel. Marel is committed to achieve its mid- and long term growth targets.</p> <p>Our strategic mid-term targets are to achieve gross profit around 40%, SG&A of around 18% and Innovation at the 6% strategic level by year-end 2023.</p> <p>In the period 2017-2026, Marel is targeting 12% average annual revenue growth through market penetration and innovation, complemented by strategic partnerships and acquisitions</p> <p>Up to 2026, management forecasts 4-6% average annual market growth. Marel aims to grow organically faster than the market, driven by innovation and growing market penetration</p> <p>Solid operational performance and strong cash flow is expected to support 5-7% revenue growth on average by acquisitions</p>
	Acquired	2.9%	1.8%	-	
	Total	15.4%	7.2%	-7.1% YoY	
Innovation investment	6.2%	6.4%	5.8%	~6% of revenues	To support new product development and ensure continued competitiveness of existing product offering
Earnings per share (EUR cent)²	18.0	15.3	12.3	EPS to grow faster than revenues	Marel's management targets Earnings per Share to grow faster than revenues
Leverage	2.0x	0.4x	0.4x	Net debt / EBITDA 2-3x	The leverage ratio is targeted to be in line with the targeted capital structure of the company
Dividend policy	30%	40%	-	20-40% of net profit	Dividend or share buyback targeted at 20-40% of net profits. Excess capital used to stimulate growth and value creation, as well as payment of dividends / funding share buybacks

Note: ¹ Growth is not expected to be linear but based on opportunities and economic fluctuations. Operational results may vary from quarter to quarter due to general economic developments, fluctuations in orders received and timing of deliveries of larger systems. ² Trailing twelve months, EUR cents for fiscal years 2018 and 2019, YTD earnings per share for 2020.



In partnership with our customers we are **transforming** the way food is processed

Marel's vision is of a world where quality food is produced **sustainably and affordably**

Q&A

ARNI ODDUR THORDARSON
CEO

LINDA JONSDOTTIR
CFO



THANK YOU



FORWARD-LOOKING STATEMENTS

Statements in this press release that are not based on historical facts are forward-looking statements. Although such statements are based on management's current estimates and expectations, forward-looking statements are inherently uncertain.

We therefore caution the reader that there are a variety of factors that could cause business conditions and results to differ materially from what is contained in our forward-looking statements, and that we do not undertake to update any forward-looking statements.

All forward-looking statements are qualified in their entirety by this cautionary statement.

MARKET SHARE DATA

Statements regarding market share, including those regarding Marel's competitive position, are based on outside sources such as research institutes, industry and dealer panels in combination with management estimates.

Where information is not yet available to Marel, those statements may also be based on estimates and projections prepared by outside sources or management. Rankings are based on sales unless otherwise stated.