

TRANSFORMING FOOD PROCESSING



Q1 2021 Results

Investor meeting



29 April 2020

Q1 2021 Results

Investor meeting



Arni Oddur Thordarson
CEO



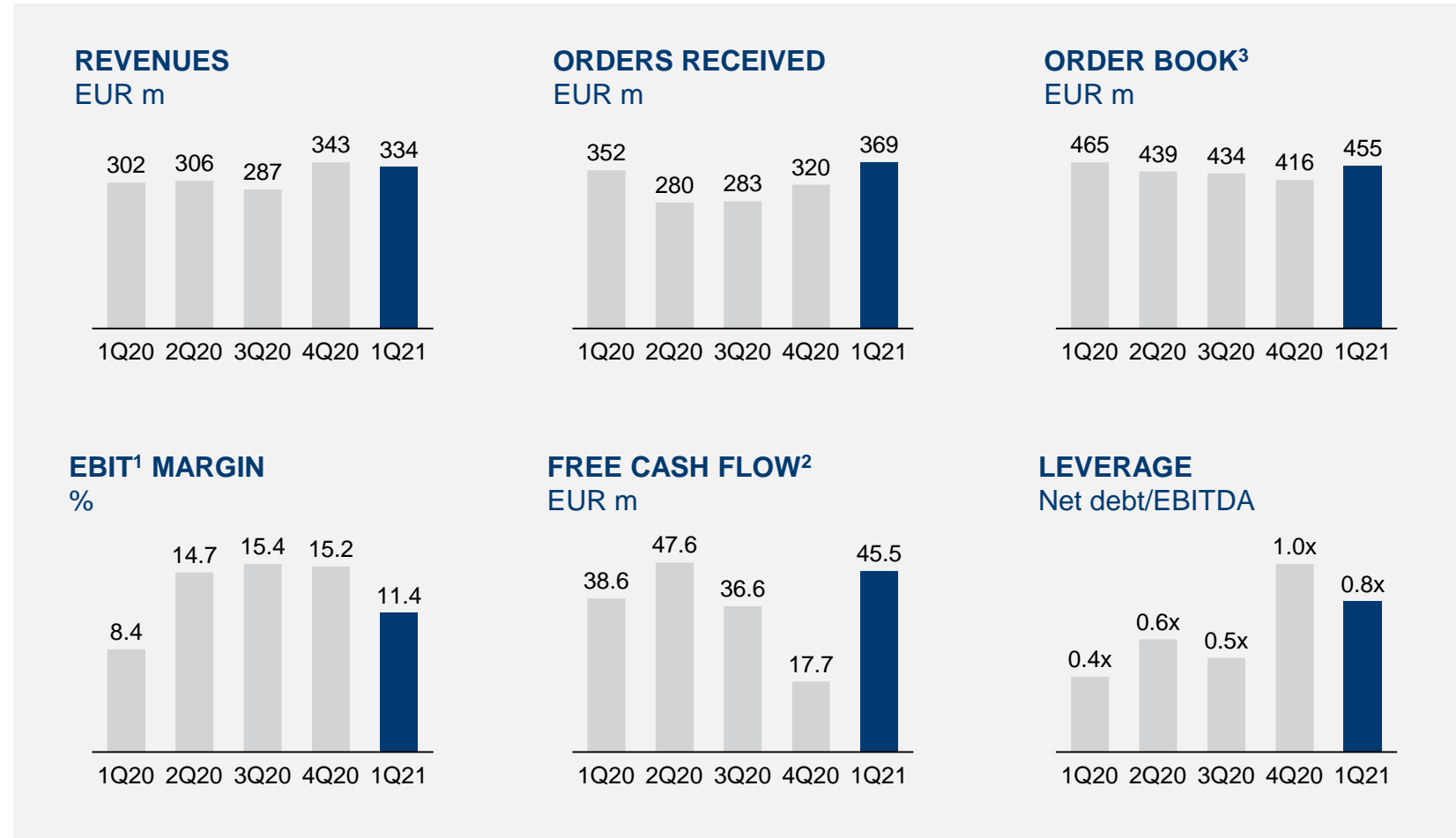
Linda Jonsdottir
CFO

Q1 2021 – SCALING UP AHEAD OF THE GROWTH CURVE



Strong orders received and pipeline building up, margins impacted by logistics and mobility challenges as the pandemic escalated, and step up of sales and service coverage

- Revenues totaled EUR 334m, with 39% in aftermarket revenues (1Q20: 41%)
- Strong orders received in the quarter, and order book at healthy level
- EBIT¹ margin of 11.4% in 1Q21 (1Q20: 8.4%)
- Gross profit at 37.2% in the quarter (1Q20: 35.6%), below mid-term target of 40% YE23
- Gross profit in the quarter impacted by higher cost of customer deliveries in a period of stringent lockdowns and logistical challenges
- Proactively stepping up investments and operating expenses to support organic growth in line with growing pipeline
- Net result was EUR 21.2m (1Q20: EUR 13.4m)



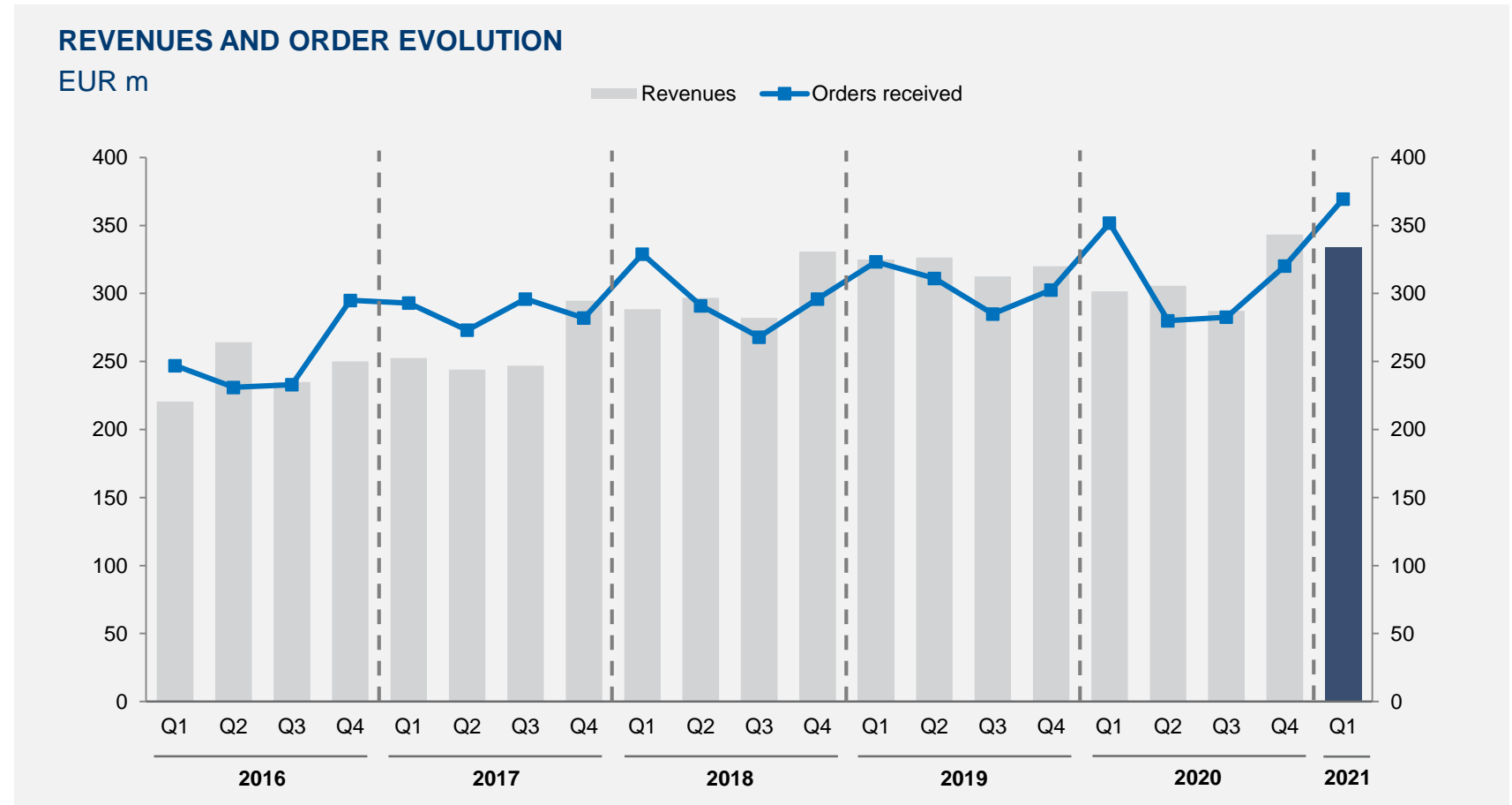
Note: ¹ Operating income adjusted for PPA related costs, including depreciation and amortization, and beginning in Q4 2020 adjusted for acquisition related costs. ² Free cash flow defined as cash generated from operating activities less taxes paid and net investments in PP&E and intangible assets. ³ Including acquired order book of Curio and PMJ of EUR 4.2m in 1Q21.

STRONG ORDERS RECEIVED



Orders received were EUR 369 million, up 5.0% year-on year and 15.5% quarter-on-quarter

- The year started on a strong note with orders received of EUR 369 million, compared to the previous record orders of EUR 352 million in 1Q 2020
- 2021 started slow but really took off in March with a positive outlook, a reverse situation to 2020
- Across all industries, orders received were strong for standard equipment and aftermarket in 1Q21
- Marel Meat secured landmark orders in China and Brazil in the quarter, while conversion from the pipeline of large orders was soft for Marel Poultry and Marel Fish
- The pipeline for large greenfields and modernization projects is building up in all industries



BALANCED REVENUE MIX

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

POULTRY



EUR 159m revenues 1Q21
16.2% EBIT¹ margin 1Q21

- Acquisition of PMJ enables Marel to expand its third pillar within poultry processing and become the industry's only full-line provider of duck processing solutions for this large and growing market, where 70% of demand comes from China
- Orders received for Marel Poultry in 1Q21 were strong in standard equipment and aftermarket, while orders for larger projects were soft. Pipeline is building up in all processing steps, although timing of conversion into firm orders is uncertain.
- Profitability in the quarter was positively impacted by product mix while lower volume of large projects had a negative impact

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 126m revenues 1Q21
7.8% EBIT¹ margin 1Q21

- TREIF acquisition doubled standard equipment sales for Marel Meat and enhanced the full-line offering from post-farm to dispatch of consumer-ready products
- Newly launched solutions, SensorX Magna and Accuro, are gaining traction
- Orders received for Marel Meat in 1Q21 were strong in both large projects and standard equipment. Landmark deals secured in China and Latin America, as customers pursue greater automation and channel flexibility. Pipeline remains strong
- Profitability in the quarter impacted by mix and lower than expected margins for large projects
- Management continues to target medium and long-term EBIT¹ margin expansion for Marel Meat, and management has accelerated market coverage and operational improvement initiatives

Full-line offering with focus on **strong product development, increased standardization, modularization and market penetration and further cross- and upselling**

FISH



EUR 40m revenues 1Q21
5.3% EBIT¹ margin 1Q21

- Curio consolidated into Marel financial results as of 4 Jan 2021. Salmon primary processing offering solidified through the 40% acquisition of Stranda Prolog launch of strategic partnership in innovation
- Innovation roadmap accelerated to close certain application gaps to reach full-line offering
- Orders received for Marel Fish in 1Q21 were soft for large projects. Pipeline for large projects is building up and conversion into orders is expected to pick up
- Higher volume needed to deliver sufficient margin improvement
- Management continues to target medium and long-term EBIT¹ margin expansion for Marel Fish

Full-line offering to the wild whitefish industry since 2020. Strong line offering with opportunities to improve breadth through innovation and / or M&A to reach full line offering across whitefish and salmon

Note: All financial numbers relate to the Condensed Consolidated Interim Financial Statements Q1 2021. Other segment accounts for around 2% of the revenues in Q1 2021.

¹ Operating income adjusted for PPA related costs, including depreciation and amortization, and beginning in Q4 2020 adjusted for acquisition related costs.

Financial performance

Linda Jonsdottir,
Chief Financial Officer



29 April 2020

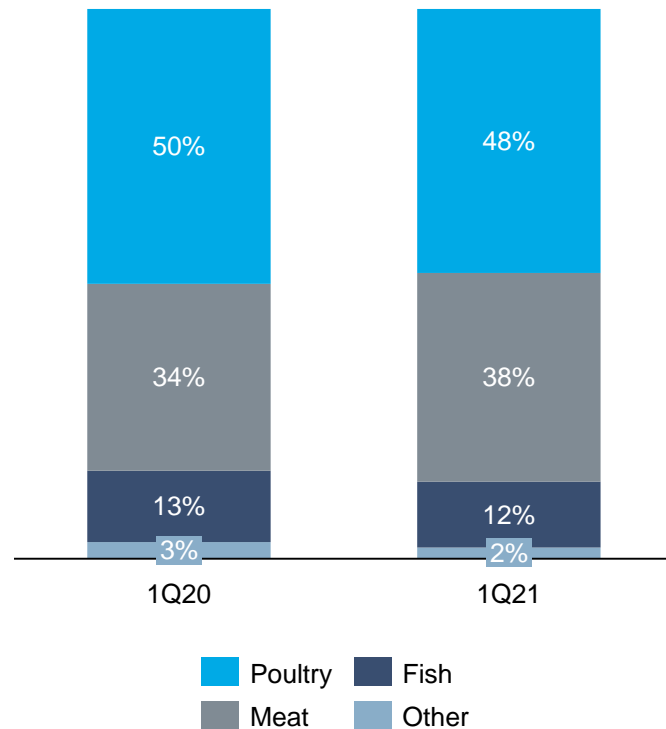


GOOD QUALITY OF EARNINGS

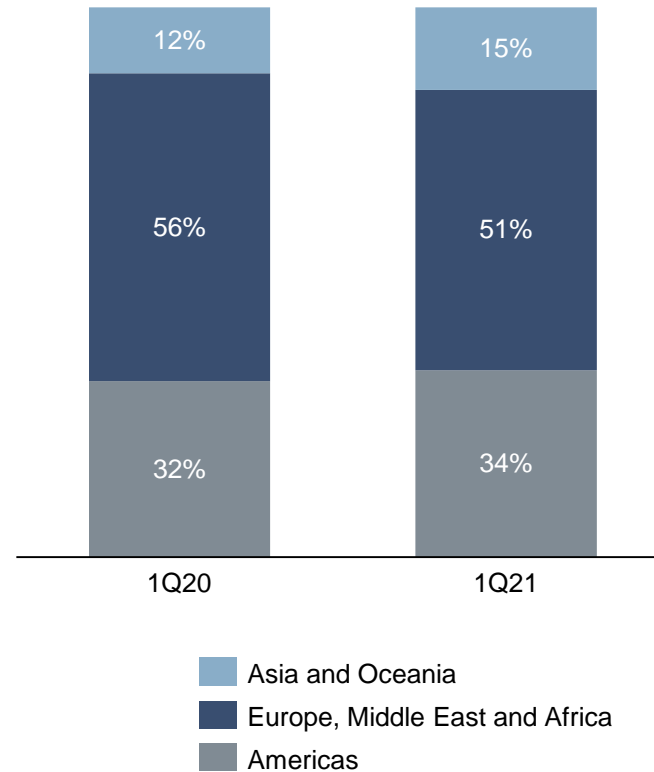


Strong track record of a well diversified revenue structure across industries, geographies and business mix

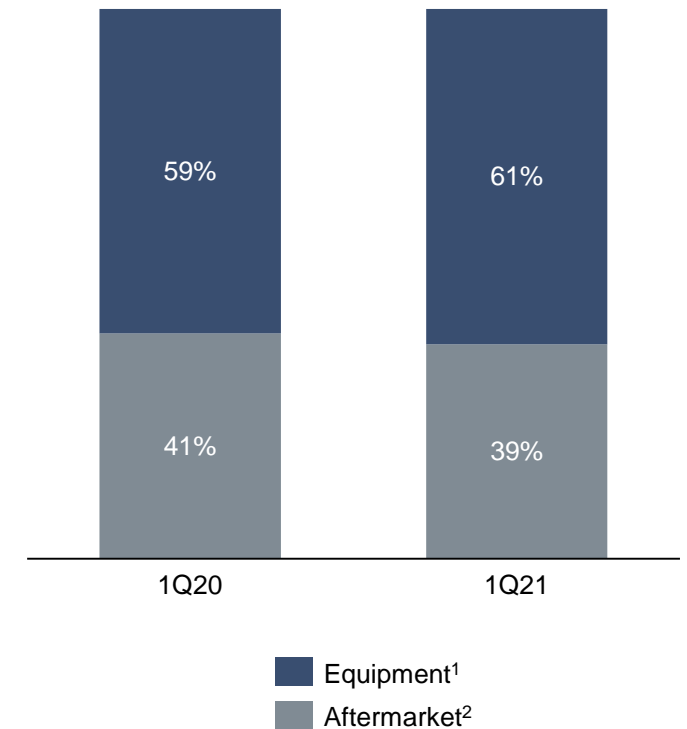
REVENUES BY INDUSTRY
%



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.

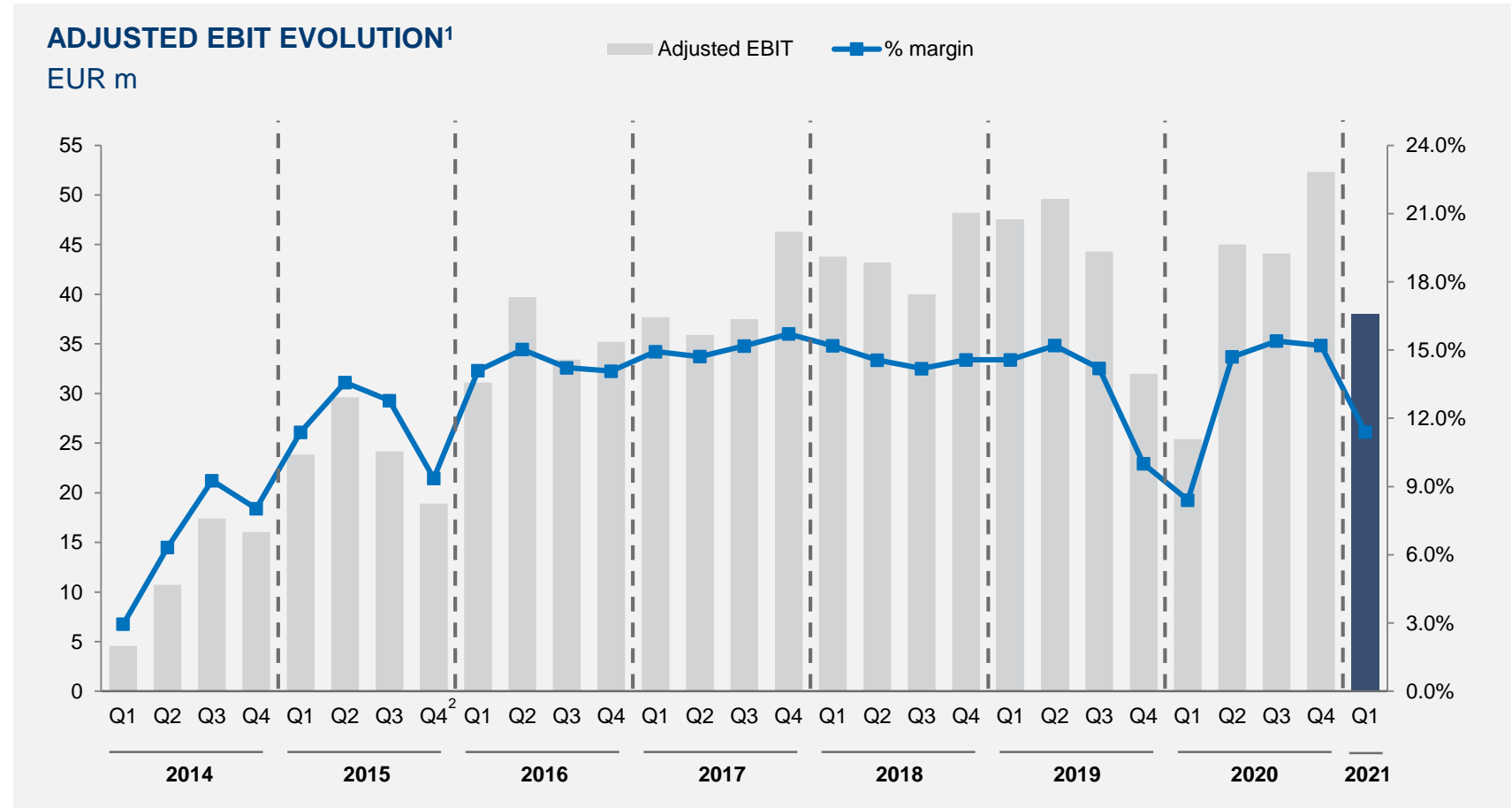
² Aftermarket revenues are comprised of revenues from maintenance, service, and spare parts.

OPERATIONAL PERFORMANCE



Fluctuations in EBIT margins quarter on quarter can be expected, due to product mix and timing of large projects, rising investment level going forward to support organic growth in line with growing pipeline

- Gross profit at 37.2% (1Q20: 35.6%), below the mid-term target of 40% by YE23
- Gross profit positively impacted by mix, but volume and margin were negatively impacted by mobility and logistics challenges
- Operating expenses increasing in line with important initiatives of stepping up market coverage and innovation investment in digital solutions, as well as preparing for the organic growth expected ahead
 - SG&A at 19.7% (1Q20: 21.3%), compared to mid-term YE23 target of 18.0%
 - R&D at 6.2% (1Q20: 5.8%), compared to mid-term YE23 target of 6.0%
- Results not adjusted for non-recurring costs except for PPA and acquisition related costs



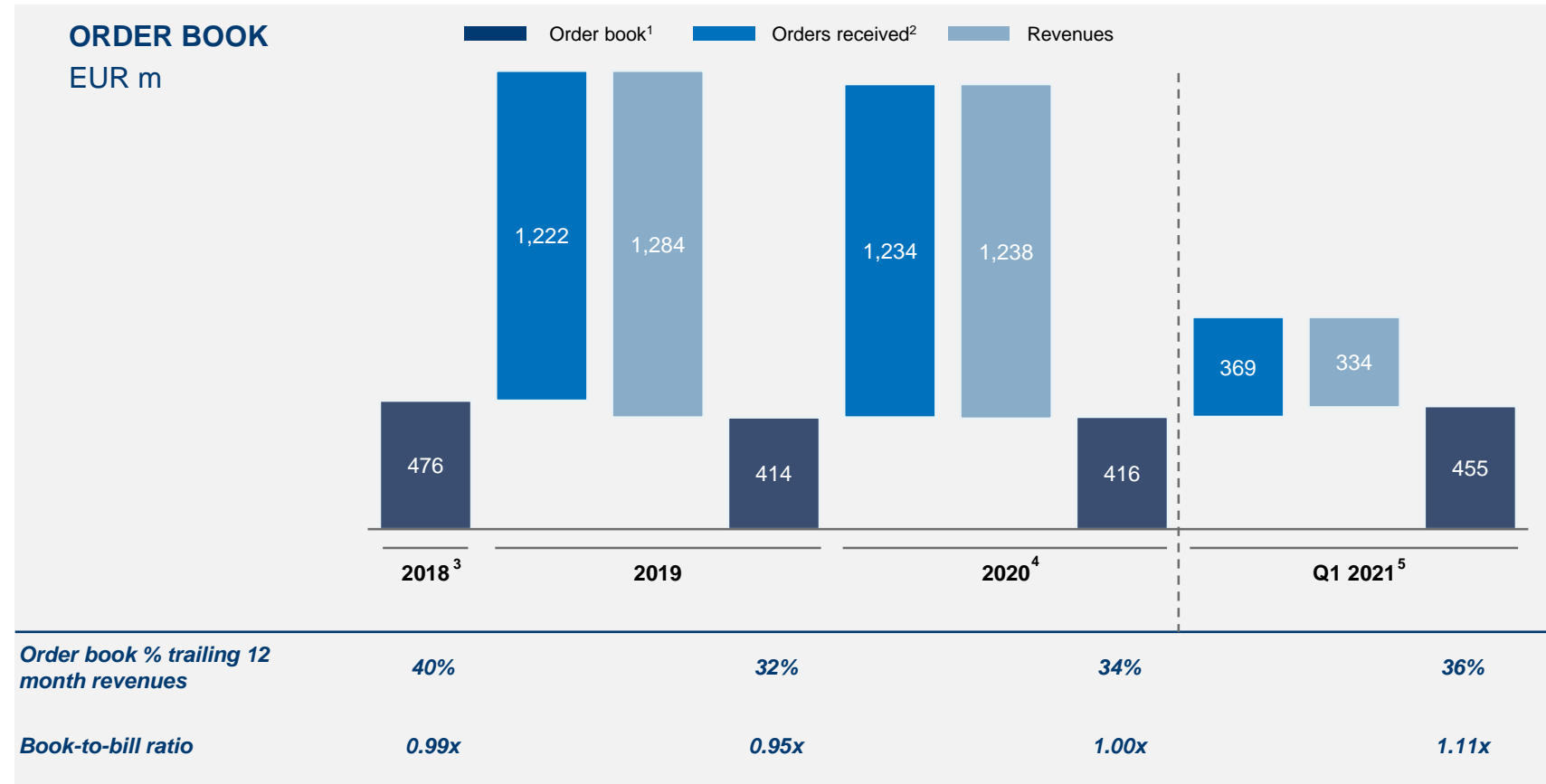
Note: ¹ Adjusted for PPA costs related to acquisitions from 2016 – 2020 and refocusing costs in 2014 and 2015 relating to “Simpler, Smarter, Faster” program. PPA refers to amortization of acquisition related (in) tangible assets. Beginning in Q4 2020 also adjusted for acquisition related costs. ² Adjusted EBIT in Q4 2015 is not adjusted for EUR 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 of EUR 455 million with landmark orders from China and Brazil

- At quarter-end, the order book was 36% of trailing 12-months revenues
- Order book includes acquired order book from Curio and PMJ totaling EUR 4.2m
- Book-to-bill 1.11x in 1Q21, compared to an average of 1.00x in the past four quarters (1Q20-4Q20)
- Order book consists of orders that have been signed and financially secured
- Vast majority of the order book are greenfield projects while spare parts and standard equipment run faster through the system
- Low customer concentration with no customer accounting for >5% of the total revenues on an annual basis



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 recognized 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 Including acquired order book of MAJA of EUR 2m. ⁴ Including acquired order book of TREIF of EUR 5m in 4Q20. ⁵ Including acquired order book of Curio and PMJ of EUR 4.2m.

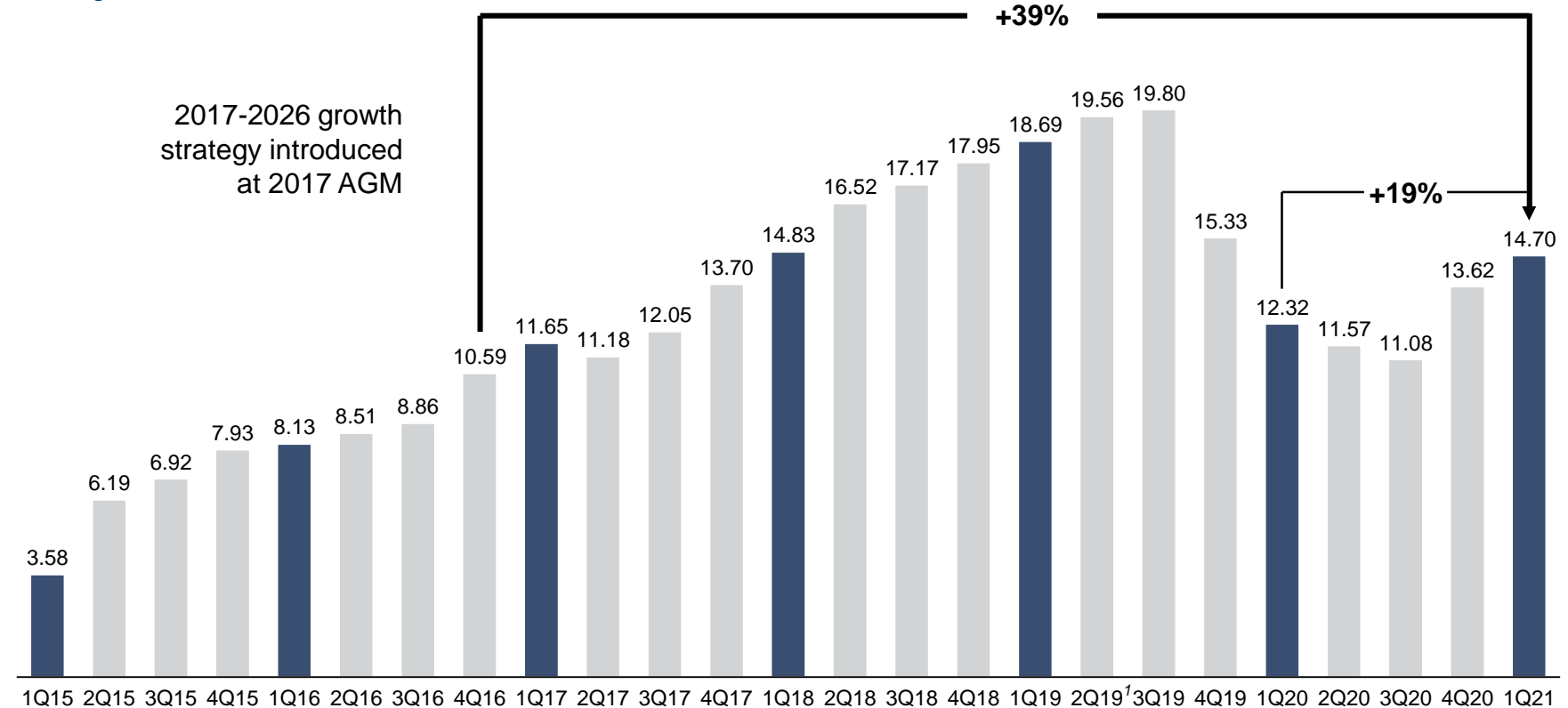
EARNINGS PER SHARE



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
- 2021 AGM approved a dividend of EUR 5.45 cents per share for the operational year 2020, corresponding to EUR 41m or 40% of net results (6% lower per share compared to prior year)
- Dividend paid out in recent years within the targeted policy of 20-40% of net result (2021: 40%, 2020: 40%, 2019: 30%)
- EPS was EUR 2.82 cents (4Q20: 3.87 cents, 1Q20: 1.76 cents)

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



Note: ¹ 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.

INCOME STATEMENT: Q1 2021



Revenues in Q1 2021 were EUR 334 million, gross profit was EUR 124 million or 37.2% of revenues, and the adjusted EBIT was EUR 38.0 million or 11.4%

In EUR million	Q1 2021	Of revenues	Q1 2020	Of revenues	Δ
Revenues	334.0		301.6		+10.7%
Cost of sales	(209.6)		(194.3)		+7.9%
Gross profit	124.4	37.2%	107.3	35.6%	+15.9%
Selling and marketing expenses	(40.0)	12.0%	(40.5)	13.4%	-1.2%
General and administrative expenses	(25.7)	7.7%	(23.9)	7.9%	+7.5%
Research and development expenses	(20.7)	6.2%	(17.5)	5.8%	+18.3%
Adjusted result from operations¹	38.0	11.4%	25.4	8.4%	+49.6%
Non-IFRS adjustments	(7.9)		(2.6)		+203.8%
Result from operations	30.1	9.0%	22.8	7.6%	+32.0%
Net finance costs	(4.4)		(5.0)		-12.0%
Share of result of associates	(0.1)		0.0		-100.0%
Result before income tax	25.6		17.8		+43.8%
Income tax	(4.4)		(4.4)		+0.0%
Net result	21.2	6.3%	13.4	4.4%	+58.2%

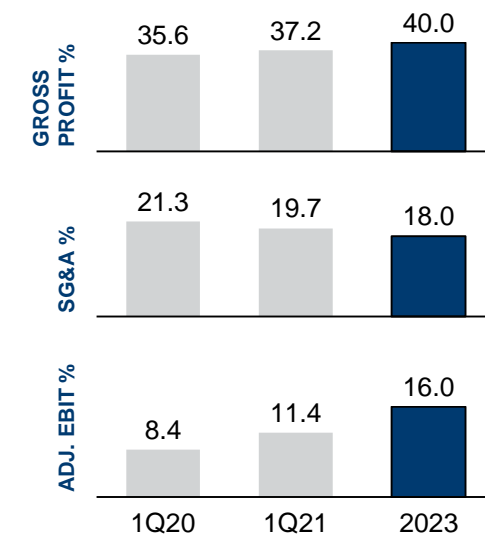
Note: The income statement as presented above provides an overview of the quarterly Adjusted result from operations, which management believes to be a relevant Non-IFRS measurement.

¹ Operating income adjusted for PPA related costs, including depreciation and amortization, and beginning in Q4 2020 adjusted for acquisition related costs.

MID-TERM TARGETS

Marel is committed to the mid-term targets to achieve gross profit of 40%, SG&A of 18% and maintain the innovation investment at the 6% strategic level by year-end 2023

In EUR million	Q1 2021	Of revenues		Mid-term target
Revenues	334.0			
Cost of sales	(209.6)			
Gross profit	124.4	37.2%	→	Gross profit ~40%
Selling and marketing expenses	(40.0)	12.0%	} 19.7%	→ SG&A ~18%
General and administrative expenses	(25.7)	7.7%		
Research and development expenses	(20.7)	6.2%		
Adjusted result from operations¹	38.0	11.4%		
Non-IFRS adjustments	(7.9)			
Result from operations	30.1	9.0%		
Net finance costs	(4.4)			
Share of result of associates	(0.1)			
Result before income tax	25.6			
Income tax	(4.4)			
Net result	21.2	6.3%		



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, and beginning in Q4 2020 adjusted for acquisition related costs.

BALANCE SHEET: ASSETS



Q1 2021 Condensed Consolidated Interim Financial Statements

- Since the beginning of the pandemic Marel has systematically built up sufficient safety stock of spare parts to serve customer demand and ensure timely delivery
- Cash position at high level, due to strong cash flow and dividend payment in the beginning of April

ASSETS

In EUR million	31/03 2021	31/12 2020	Δ
Property, plant and equipment	200.2	196.7	+1.8%
Right of use assets	45.5	42.7	+6.6%
Goodwill	690.7	678.8	+1.8%
Intangible assets	345.9	331.0	+4.5%
Investments in associates	11.7	17.6	-33.5%
Other receivables	0.9	2.1	-57.1%
Deferred income tax assets	14.7	13.3	+10.5%
Non-current assets	1,309.6	1,282.2	+2.1%
Inventories	206.3	199.9	+3.2%
Contract assets	43.3	46.1	-6.1%
Trade receivables	148.8	151.3	-1.7%
Assets held for sale	0.8	1.8	-55.6%
Derivative financial instruments	3.5	1.9	+84.2%
Other receivables and prepayments	58.4	53.1	+10.0%
Cash and cash equivalents	101.6	78.6	+29.3%
Current assets	562.7	532.7	+5.6%
TOTAL ASSETS	1,872.3	1,814.9	+3.2%

BALANCE SHEET: EQUITY AND LIABILITIES



Q1 2021 Condensed Consolidated Interim Financial Statements

- Leverage ratio at 0.8x, well below the targeted capital structure of 2-3x net debt / EBITDA
- Financial strength to support strategic actions in the ongoing industry consolidation wave, in line with the company's growth strategy
- Marel has committed liquidity of EUR 668.4m at the end of March, including fully committed all-senior funding in place until 2025
- Favorable development in working capital, mainly due to improvement in accounts payables
- Dividend payment of EUR 41m recorded as other payables at quarter-end

EQUITY AND LIABILITIES

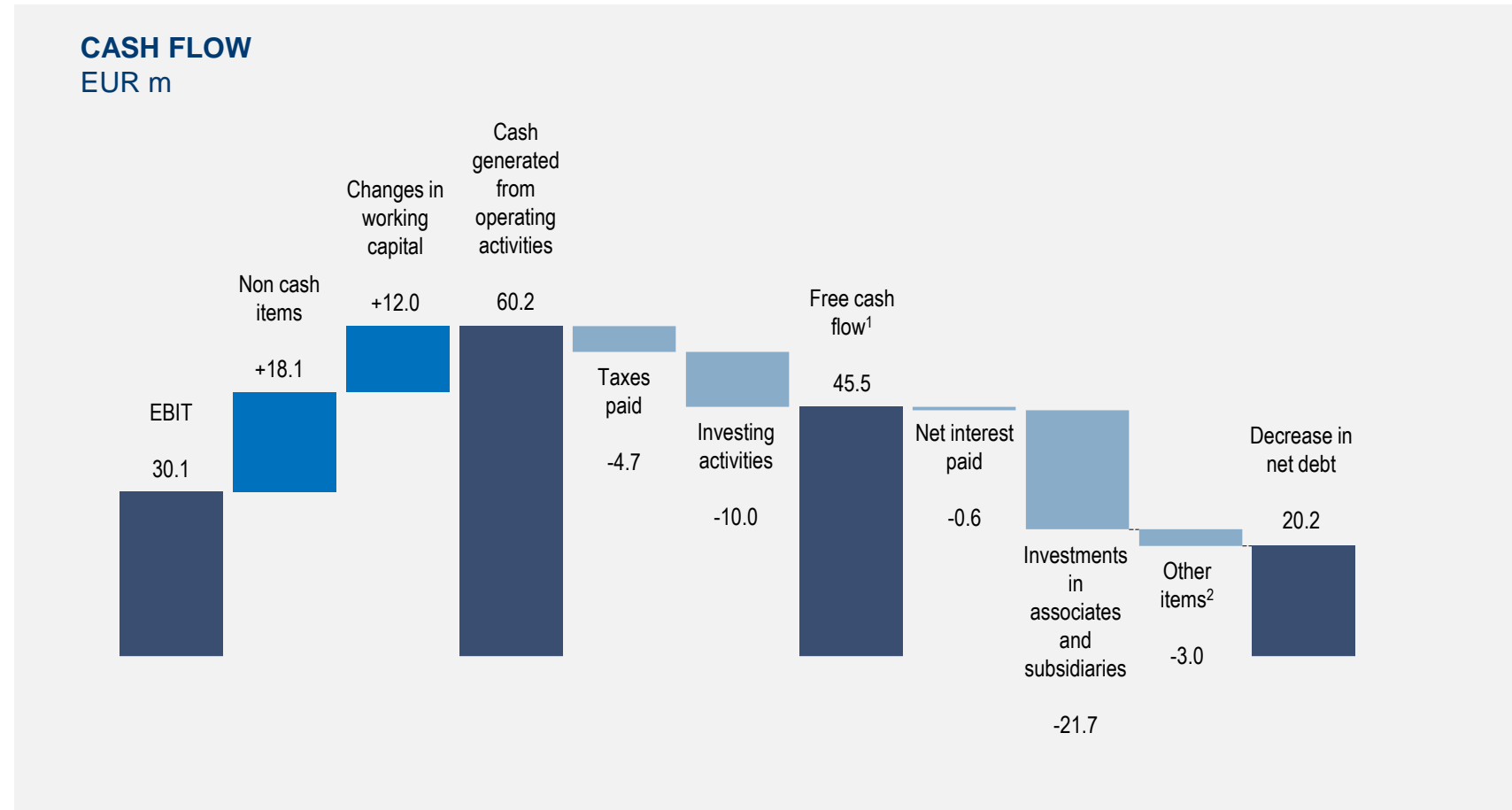
In EUR million	31/03 2021	31/12 2020	Δ
Group Equity	940.7	958.7	-1.9%
Borrowings	240.3	240.2	+0.0%
Lease liabilities	36.6	33.6	+8.9%
Deferred income tax liabilities	87.0	84.9	+2.5%
Provisions	4.2	4.1	+2.4%
Other payables	14.4	1.1	+1,209.1%
Derivative financial instruments	3.3	3.7	-10.8%
Non-current liabilities	385.8	367.6	+5.0%
Contract liabilities	224.4	236.6	-5.2%
Trade and other payables	285.0	222.7	+28.0%
Current income tax liabilities	12.8	8.8	+45.5%
Borrowings	0.0	0.0	-
Lease liabilities	9.7	10.0	-3.0%
Provisions	13.9	10.5	+32.4%
Current liabilities	545.8	488.6	+11.7%
Total liabilities	931.6	856.2	+8.8%
Total equity and liabilities	1,872.3	1,814.9	+3.2%

ROBUST CASH FLOW



Operational cash flow in the quarter was EUR 60 million and free cash flow amounted to EUR 46 million

- Cash flow, both operational and free cash flow was strong in the quarter, allowing for operational and strategic flexibility
- Marel continues to invest in its business and improving the ways of working
- For acquisitions of Curio and PMJ, and 40% holding in Stranda Prolog, EUR 21.7m was paid out during the quarter
- Strong cash conversion, backed by book-to-bill of 1.11, operating cash flow of EUR 60.2 compared to adjusted EBIT of 38.0m

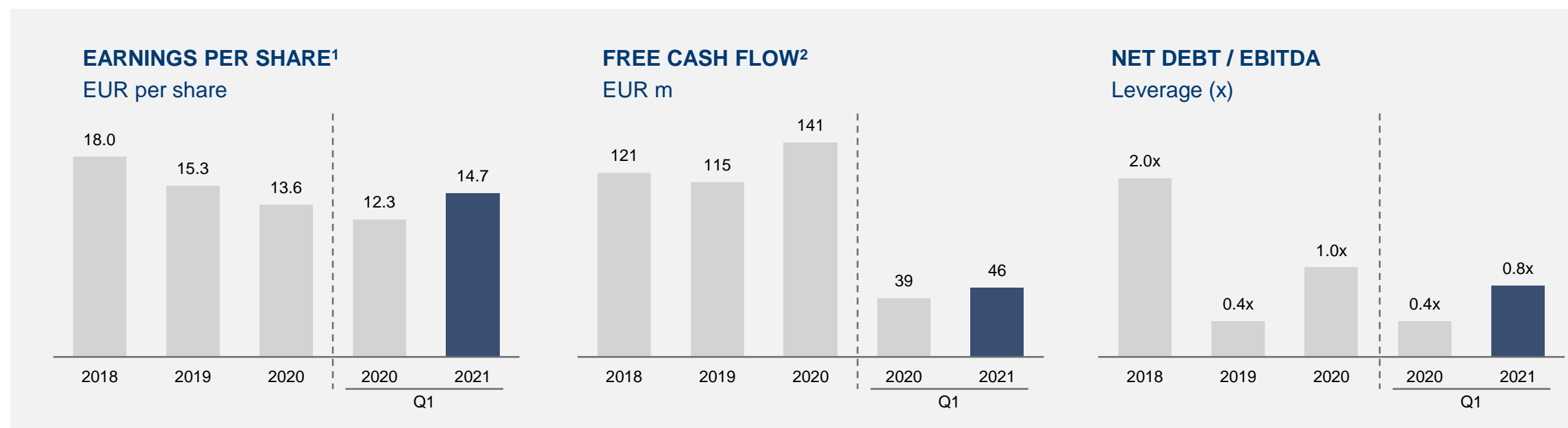


Note: ¹ Free cash flow defined as cash generated from operating activities less taxes paid and net investments in PP&E and intangible assets. ² Currency effect, change in capitalized finance charges, and movement in lease liabilities.

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

Robust cash flow

- Free cash flow was EUR 45.5m in the quarter (1Q20: EUR 38.6m)
- 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 0.8x at end of Q1 2021
- Leverage well below the targeted capital structure of 2-3x net debt / EBITDA
- 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 taxes paid and net investments in PP&E and intangible assets.

Business and outlook

Arni Oddur Thordarson,
Chief Executive Officer

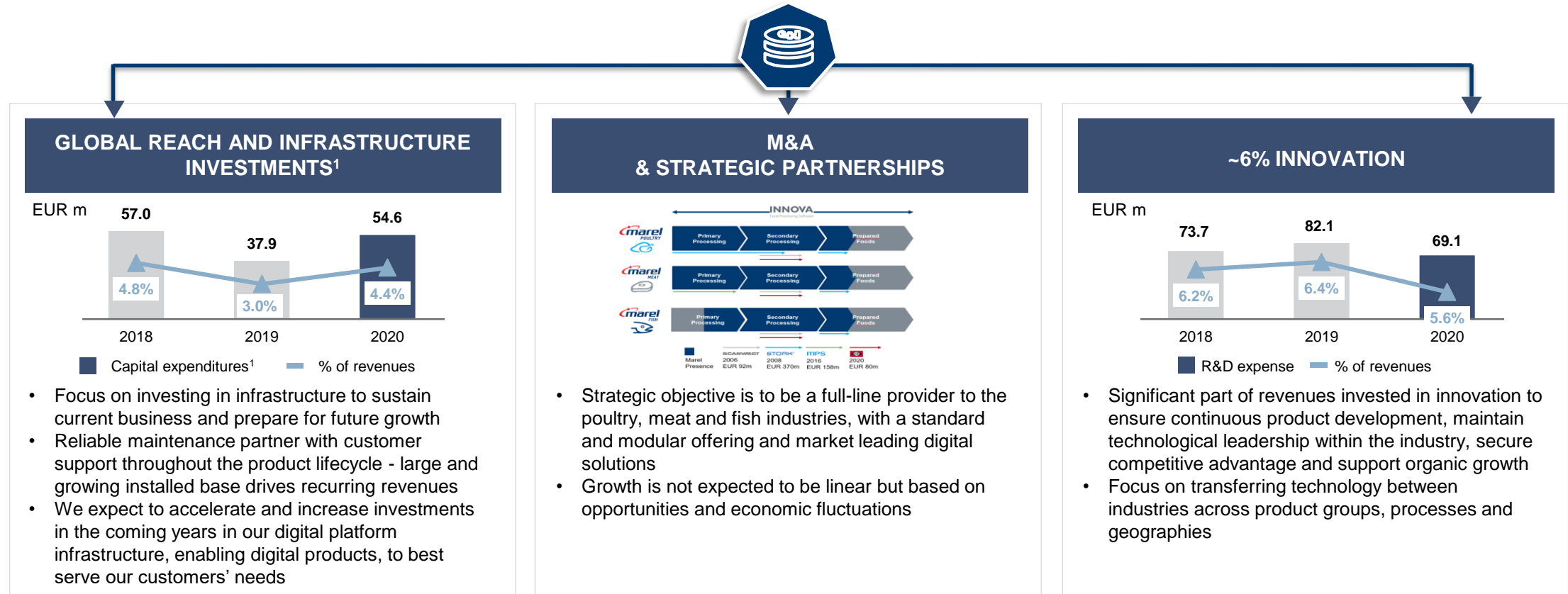


29 April 2020

INVESTING IN GROWTH



Robust cash flow to support strategic investments in innovation, infrastructure and M&A opportunities, aim for 12% average annual revenue growth in 2017-2026



▶▶ Marel is targeting 5-7% average annual revenue growth through strategic acquisitions ◀◀

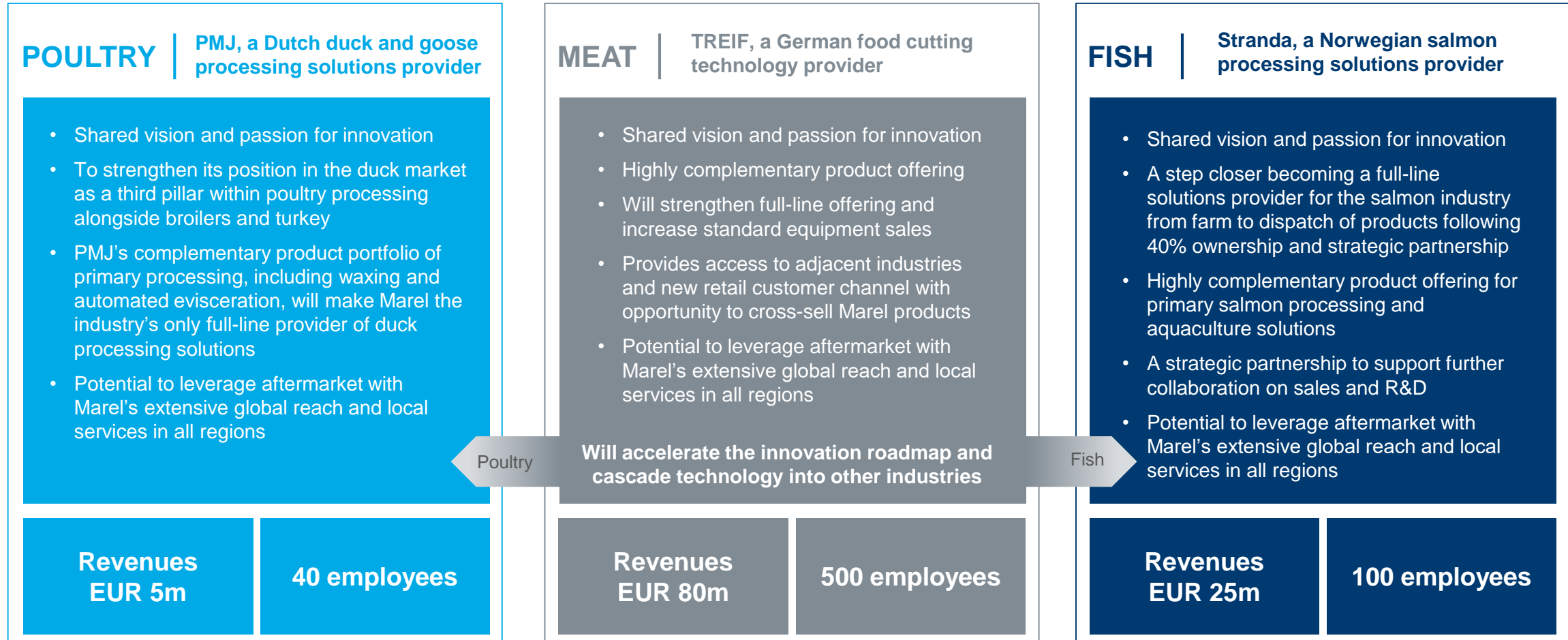
▶▶ Marel aims to grow faster than the expected market growth of 4-6%, mainly driven by innovation and market penetration ◀◀

Note: ¹ Capital expenditures as shown on the cash flow statement under investing activities, including purchase of PP&E and investments in intangibles.

STRATEGIC MOVES



Significant investments in global reach and digital solutions throughout the years make Marel an attractive partner in the ongoing consolidation wave within our industry



VIRTUAL PROGRESS POINT



Customers can visit the virtual Copenhagen demo center Progress Point and tune into a Marel LIVE event to see and experience solutions and software in action in a live demonstration or extended reality (VR/XR)



LAUNCH OF NEW DEMO CENTER IN CAMPINAS, BRAZIL



The new 4,700m² office and demo center facility in Campinas, Brazil is Marel's first in Latin America, will bring us closer to many of our customers and support growth in the region



TRANSFORMATION TAKING PLACE IN CHINA



Location is key for production recovery outlook in China, Marel is expanding its operations in the region, doubling sales coverage and opening a new sales and service office in Shanghai in 2021

MAREL'S CHINA PLATFORM

100% LOCAL LEADERSHIP TEAM

- Glocal structure in place, can easily provide our customers with solutions, services, and spare parts, all supported by both local and international expertise
- Doubling sales coverage
- New sales and service office and demo center opening in Shanghai in 2021
- Current sales and service office in Beijing and manufacturing facility one of three global growth hubs for global supply chain



CUSTOMER STORY

ROBOTICS AND DIGITAL TECHNOLOGY



- Muyuan Group is the world's second-largest pig breeder
- Vertically integrated company covering the whole process from feed mills and farming to processing facilities
- Building sophisticated processing facilities close to the pig farms to help control and eliminate African Swine Fever (ASF) and other animal diseases
- Two projects completed in 2020 with Marel's most advanced primary processing equipment throughout and installed with remote support
- Several lines replicated across multiple locations to ensure a harmonized way of working and seamless flow of high quality pork products.
- Nine more projects to be delivered in 2021

ACQUISITION OF PMJ

OPPORTUNITIES IN CHINESE DUCK MARKET

- China is by far the most important duck processing market
- 70% of the global production takes place in China, and consumption is even higher in percentage
- Rising appetite for automation and advanced processing technology, low labor costs in China used to be an obstruction for automation, but changing quickly in line with rising wages, welfare, demographics and infrastructure dynamics

SUSTAINABILITY

WASTE WATER TREATMENT IN CHINA

- Because every drop of water counts, we build on our over 50 years of experience to help processors minimize wastewater, enhance efficiency and increase sustainability
- China has strict water environmental regulations, and Marel is working very closely with one of China's largest beef processing companies on installing state-of-the-art processing technologies and a complete water treatment system at their facility so that it can be discharged back into the natural water sources

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

MID-TERM TARGETS BY YE23

Gross profit	40%
Innovation investment	6%
SG&A	18%
Adj.EBIT	16%

2017-2026 TARGETS

Revenue growth¹	12%
Innovation investment	~6% of revenues
Earnings per share	EPS to grow faster than revenues
Leverage	Net debt / EBITDA 2-3x
Dividend policy	20-40% of net result

	FY17	FY18	FY19	FY20	1Q21
Organic	4.9%	12.5%	5.4%	-5.4%	
Acquired	2.2%	2.9%	1.8%	1.8%	
Total	7.1%	15.4%	7.2%	-3.6%	10.7% YoY
CAGR 2017-1Q21	6.6%				
	5.6%	6.2%	6.4%	5.6%	6.2%
	13.7	18.0	15.3	13.6	14.7
	1.9x	2.0x	0.4x	1.0x	0.8x
	30%	30%	40%	40%	-

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.

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

MID-TERM TARGETS BY YE23

Gross profit	40%
Innovation investment	6%
SG&A	18%
Adj.EBIT	16%

2017-2026 TARGETS

Revenue growth¹	12%	<p>Market conditions have been challenging due to geopolitical uncertainty and the ongoing 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>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>Until 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>
Innovation investment	~6% of revenues	To support new product development and ensure continued competitiveness of existing product offering.
Earnings per share	EPS to grow faster than revenues	Marel's management targets Earnings per Share to grow faster than revenues.
Leverage	Net debt / EBITDA 2-3x	The leverage ratio is targeted to be in line with the targeted capital structure of the company.
Dividend policy	20-40% of net result	Dividend or share buyback targeted at 20-40% of net result. 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.

Q&A

Arni Oddur Thordarson
Chief Executive Officer

Linda Jonsdottir
Chief Financial Officer

QUESTIONS?

WE'RE HERE TO HELP

Tinna Molphy
Director of Investor Relations

Marino Thor Jakobsson
Investor Relations



+354 563 8001



ir@marel.com

The Marel logo consists of a red stylized 'M' shape followed by the word 'marel' in a white, lowercase, sans-serif font.

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.

Thank you
