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# Q4 2021

## Press release

2 February 2022

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# Orders up by 22% in 2021, fueled by pioneering solutions and global reach



## Executive summary

### Financial highlights 2021

- **Record orders received and strong pipeline, fueled by pioneering solutions and scale up in local sales and service coverage globally**
- **Good product mix in orders, with step up in standard consumer-ready solutions, and continued momentum in aftermarket**
- **We expect high customer activity in line with successful start of the year at IPPE in Atlanta, driving new orders as well as costs. Global supply chain pressures are expected to continue to affect operational results in 1H22.**
- Orders received were EUR 1,502.0m (2020: 1,234.1m).
- The order book was EUR 569.0m (3Q21: 527.8m, 2020: 415.7m).
- Revenues were EUR 1,360.8m (2020: 1,237.8m).
- EBIT<sup>1</sup> was EUR 153.6m (2020: 166.8m), translating to an EBIT<sup>1</sup> margin of 11.3% (2020: 13.5%).
- Net result was EUR 96.2m (2020: 102.6m).
- Basic earnings per share (EPS) were EUR 12.85 cents (2020: 13.62 cents).
- Cash flow from operating activities before interest and tax was EUR 212.3m (2020: 217.6m). Strategic inventory buildup of EUR 63.6m in 2021, excluding business combinations.
- Free cash flow amounted to EUR 116.0m (2020: 140.5m).
- Net debt/EBITDA was 1.0x (3Q21: 0.9x, 2020: 1.0x).

### Financial highlights Q4 2021

- Orders received were EUR 400.7m (4Q20: 319.7m).
- Revenues were EUR 367.4m (4Q20: 343.3m).
- EBIT<sup>1</sup> was EUR 41.0m (4Q20: 52.3m), translating to an EBIT<sup>1</sup> margin of 11.2% (4Q20: 15.2%).
- Net result was EUR 28.5m (4Q20: 29.1m).
- Basic earnings per share (EPS) were EUR 3.79 cents (4Q20: 3.87 cents)
- Cash flow from operating activities before interest and tax in 4Q21 was EUR 54.5m (4Q20: 38.9m).
- Free cash flow at EUR 15.8m (4Q20: 17.7m).

## Arni Oddur Thordarson, CEO of Marel

"We close the year with a record quarter of EUR 401 million in orders received, or a total of EUR 1.5 billion for the full year which is an increase of 22% compared to 2020. The industry mix is good with higher proportion of standard solutions for the consumer-ready food market and continued good momentum in services and software.

We see an uptick in revenues in Q4 to a level of EUR 367 million while the EBIT remains soft, at 11.2%. Revenues for the full year were up by 10% with EBIT of 11.3%. The cash conversion is strong, and operating cash flow is at 15.6% of revenues in 2021, despite building up safety stocks.

The food value chain is under transformation. A system change is taking place focused on automation, robotics technology and digital solutions that support sustainable food processing. Marel is playing a pivotal role in this transition to support our customers agility and flexibility as they cater to changing consumer demands across various market channels such as e-commerce, food service and traditional supermarkets.

The new landmark greenfield for Bell & Evans in the US is a great example. It relies on Marel's state-of-the-art interconnected solutions and software reaching from post farm to dispatch, and is highly focused on animal welfare, food safety and sustainability. Through the reuse of onsite water and energy savings and other sustainability measures, Bell & Evans were the first US poultry company to secure green financing for their new plant.

Looking at the healthy order book and strong pipeline gives us confidence to reconfirm our mid-term year-end 2023 targets of 40% gross profit, compared to 36.6% in 2021. The main drivers to reach our targets are increased volume, better mix, value-based pricing and streamlining of the customer journey focusing on automating and synergizing the back-end. We have also undertaken transformational initiatives in 2021, especially worth noting is our investments in order fulfillment and distribution systems for spare parts to secure quicker response and delivery times around the globe.

We have courageously moved forward in the middle of the pandemic and stepped-up sales and service coverage around the globe ahead of the foreseen growth curve. We expect the momentum for orders received to continue and higher revenues will provide better cost coverage, moving sales and administration costs towards the targeted 18% level by year-end 2023, from the current level of 19.4% in 2021. The innovation performance and cost are close to the 6% strategic levels.

The strategic moves in 2021 were important ones. Marel and PMJ together provided the first full-line solution in the developing and modernizing duck market and pipeline is building up. A great example of how acquisitive cost is stimulating organic growth. Looking at the fish segment, the focus is on full integration and strong platform by combining Marel, Curio and Valka. Based on our strong financials and organizational readiness, we will intensify the focus on further strategic moves of larger scale.

It's a privilege to work with seven thousand pioneers within team Marel, who in partnership with our customers are key enablers and providers of solutions, services, and software to reshape the food processing industry. We remain fully committed to the 2023 operational performance targets and the growth targets for 2026."

## Key figures (EUR m)

4Q21	4Q20	Δ YoY	As per financial statements	FY21	FY20	Δ YoY
367.4	343.3	7.0%	Revenues	1,360.8	1,237.8	9.9%
131.9	128.5	2.6%	Gross profit	498.1	462.5	7.7%
35.9%	37.4%		Gross profit as a % of revenues	36.6%	37.4%	
41.0	52.3	-21.6%	Adjusted result from operations (Adjusted EBIT)	153.6	166.8	-7.9%
11.2%	15.2%		EBIT <sup>1</sup> as a % of revenues	11.3%	13.5%	
53.8	62.3	-13.6%	EBITDA	198.9	212.5	-6.4%
14.6%	18.1%		EBITDA as a % of revenues	14.6%	17.2%	
(5.2)	(9.2)	-43.5%	Non-IFRS adjustments	(23.3)	(17.1)	36.3%
35.8	43.1	-16.9%	Result from operations (EBIT)	130.3	149.7	-13.0%
9.7%	12.6%		EBIT as a % of revenues	9.6%	12.1%	
28.5	29.1	-2.1%	Net result	96.2	102.6	-6.2%
7.8%	8.5%		Net result as a % of revenues	7.1%	8.3%	
400.7	319.7	25.3%	Orders Received	1,502.0	1,234.1	21.7%
569.0	415.7		Order Book <sup>2</sup>	569.0	415.7	36.9%

4Q21	4Q20	Cash flows	FY21	FY20
54.5	38.9	Cash generated from operating activities, before interest & tax	212.3	217.6
43.6	35.4	Net cash from (to) operating activities	176.2	182.6
(56.3)	(125.6)	Investing activities	(121.4)	(161.6)
20.9	94.7	Financing activities	(64.3)	(235.6)
8.2	4.5	Net cash flow	(9.5)	(214.6)

### Subsequent event

Marel acquired the remaining 50% stake in Curio, a primary processing equipment provider for whitefish processing.

Will enhance the full-line offering, increase volume and support management's target for EBIT margin expansion in the fish industry.

### Financial position

	2021	2020
Net Debt (Including Lease liabilities)	199.2	205.2
Operational working capital <sup>3</sup>	74.6	78.9

### Key ratios

	FY21	FY20
Current ratio	1.1	1.1
Quick ratio	0.6	0.7
Return on equity <sup>4</sup>	9.7%	10.7%
Leverage <sup>5</sup>	1.0	1.0
Number of outstanding shares (millions)	755.7	752.2
Market capitalization in EUR billion based on exchange rate at end of period	4.6	3.9
Basic earnings per share in EUR cents	12.85	13.62

## Marel remains committed to its mid-term and long-term targets

- Management is committed to its mid-term targets to achieve gross profit of 40% and SG&A of 18% by year-end 2023, and maintain the innovation promise at the 6% strategic level.
- For the period 2017-2026 Marel has set a target of 12% average annual increase in revenues, through both organic growth and acquisitions. Compound annual growth rate (CAGR) 2017-2021 was 7.0%. Due to catch up effect from the past five years and a very strong tailwind in the market, accelerated by the pandemic, management believes that market growth in the medium term (2021-2026) will be at a level of 6-8%.
- Marel's growth plan involves capitalizing on strong innovation investment, global reach and digital solutions to drive expansion and market penetration, as well as strategic partnerships and acquisitions.

### *Acquisitions and strategic partnerships*

- Strategic partnership with TOMRA is proceeding well. The two companies co-developed and then in 2021 launched a true game-changer in foreign material detection, the Marel Spectra. This revolutionary solution will meet Marel's customers challenges head on to deliver contamination free, safe and sustainable food.
- The acquisition of Dutch duck processing solutions provider Poultry Machinery Joosten (PMJ), with EUR 5m in annual revenues, closed on 21 Jan 2021. The acquisition makes Marel the industry's only full-line provider of duck processing solutions. The growing duck market (estimated to be ~EUR 6bn) will become a third pillar within poultry processing alongside broilers and turkey, allowing Marel to leverage its global sales and service network and expand into new markets.
- The acquisition of Valka, an Icelandic provider of advanced processing solutions for the global fish industry with EUR 17m in annual revenues, closed on 19 Nov 2021. The acquisition will accelerate the innovation roadmap and strengthen Marel's full-line offering and scale to serve customers' needs better.
- The acquisition of a 40% stake in Stranda Prolog (Stranda), a Norwegian provider of salmon processing solutions, and the launch of a strategic partnership between the two companies was announced on 29 Jan 2021.

### *Subsequent events in beginning of 2022*

- On 1 February 2022, Marel acquired the remaining 50.0% of the shares of Curio, an innovative primary processing equipment provider for whitefish processing. Curio and Marel have worked closely together since Marel acquired 39.3% of Curio on 22 October 2019 and an additional 10.7% of the share capital on 4 January 2021 and as such, Marel initiated the acquisition of the remaining shares ahead of the agreed timing.
- The transaction is yet another important building block on Marel's ambitious growth journey. By combining Curio's highly complementary product portfolio of heading, filleting and skinning solutions with Marel's global sales and service network, ensuring proximity to customers for sales, installations and aftermarket services, the resulting synergies from the integration are expected to positively contribute to management's medium and long-term target for EBIT margin expansion in the fish industry.

## Innovation performance and costs in line with strategic targets

- 2021 proved to be another successful year for innovation, despite various mobility challenges. Critical steps taken in core developments and digitalization of new products and installed base. 27 new highly innovative products and upgrades were introduced to the market in 2021.
- Marel R&D amounted to EUR 80.8m in 2021, equal to 5.9% of revenues. This is in line with the company's innovation promise of ~6% on a continuous basis to drive further organic growth.
- The food value chain is under transformation where automation, robotics and digital solutions that support sustainable food processing are key drivers. Marel, together with its innovation partners, is playing a pivotal role in this transformation with focus on continued innovation and introduction of pioneering solutions that strengthen our customers' competitiveness.

## Investments to support increased speed, scale and sustainability

- To best serve customer needs and capture growth opportunities from changing market dynamics, cash capital expenditures excluding R&D investments are expected to increase to on average 4-5% of revenues over the next four years, thereafter returning back to more normalized levels.
- Important transformative initiatives ongoing e.g. stepping up market coverage in growth markets, innovation investments in digital solutions, improvement projects to streamline the back-end, as well as automating and digitizing the manufacturing platform, supply chain and aftermarket.
- In 2021, Marel opened new demo center facilities in Campinas, Brazil and Shanghai, China, Marel's first in both Latin America and China. The facilities cement our commitment to the growing markets and signal our intent to work even more closely and efficiently to support our customers, partners and the broader food processing industry in key regions.
- Marel is a trusted maintenance partner and a key focus going forward is on automating and digitizing the end-to-end spare parts handling to ensure agility and shorter lead times. Spare parts sales at a record level for two sequential quarters, 3Q21 and 4Q21.

## Transforming food processing, sustainably

- Innovation in partnership with customers, enables Marel to continuously advance the industry and help customers minimize their resource use and carbon emissions while improving their operational efficiency. All new innovations go through a sustainability innovation scorecard.
- Marel is committed to becoming net zero by 2040. To support its long-term commitment, Marel has launched a five-year sustainability program aimed at steering both Marel and the industry onto a more sustainable path, through ambitious environmental, social, and governance targets.
- During the year, Marel incorporated ESG into the short-term incentive plans for management remuneration, started its climate-related disclosure (TCFD) journey, implemented a robust governance structure around sustainability related issues, committed to setting a science-based target in line with the Paris Agreement and announced its first medium-term sustainability program, fully in line with our 2026 growth strategy.



# Financial performance



## Record orders received in the quarter and for the full year

- Orders received in the quarter were EUR 400.7m, up 11.1% QoQ and 25.3% YoY, with strong orders across all industries and all processing stages. Orders received in 2021 at a record level, EUR 1,502.0m, up 21.7% from EUR 1,234.1m in 2020.
- Good product mix with clear step up in sales of standard consumer-ready solutions, with continued momentum in aftermarket.
- Strong demand for Marel solutions, software and services as the need for automation and digitalization in food processing is accelerating. Labor availability, a dynamic shift in consumer behavior and the request for agility to match consumer demand, as well as an increased focus from consumers and regulators on sustainability in food production, are driving forces to further transform the industry.
- M&A continues to stimulate organic growth and accelerate the innovation roadmap. Throughout the year, Marel secured important orders where a broader product portfolio following recent acquisitions were key.
- Marel's competitive position remains strong with continuous high conversion of pipeline into order book, while gradually capturing market share.

## Order book at a healthy level

- The order book at year-end was EUR 569.0m, up 36.9% compared to EUR 415.7m at year-end 2020 (3Q21: 527.8m), representing 41.8% of 12-month trailing revenues.
- The book-to-bill ratio in the quarter was 1.09, compared to an average of 1.06 in the past four quarters (4Q20-3Q21), while 1.10 for the full year 2021 (2020: 1.00).

## Revenues scaling up by more than 10% quarter-on-quarter

- Marel is targeting a step up in revenues in 2022, compared to 2021, on the back of a strong order book and promising pipeline.
- Revenues totaled EUR 367.4m up by 10.7% QoQ and 7.0% YoY. Full year revenues were 1,360.8m, up 9.9% from 2020. Organic revenue growth 4.4% and acquired growth 5.5% in 2021.
- Aftermarket, comprising of services and spare parts, represented 40% of total revenues in the quarter and for the full year (4Q20: 38%, 2020: 40%). Spare parts at a record level for two sequential quarters, full focus on strengthening the spare parts delivery model and shortening lead times.

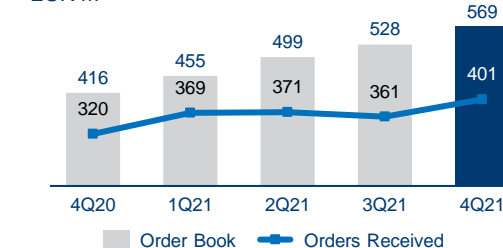
## High focus on improving gross profit to reach mid-term targets

- Gross profit margin was 35.9% in the quarter (3Q21: 37.1%, 4Q20: 37.4%) and gross profit was EUR 131.9m (3Q21: 123.2m, 4Q20: 128.5m), impacted by supply chain and logistics challenges, as well as strategic projects with the aim of increasing speed and scale. For the full year, gross profit margin was 36.6% (2020: 37.4%) and gross profit EUR 498.1m (2020: 462.5m)
- Marel's highest priority remains to deliver to our customers the right quality, at the right time. In Q4 2021, Marel continued to be impacted by an imbalance between supply and demand for electronic components and raw materials, resulting in an increase in prices and delivery times. It is expected that supply chain and logistics challenges will continue to have an impact on Marel's operations in 1H22.
- Mitigation actions such as price increases on new orders have been implemented by Marel, with an emphasis on value-based pricing, that will partly offset increased costs.
- Continued investment to transform spare parts handling with focus on investments in fulfillment centers and digitizing and automating the end-to-end parts handling to ensure shorter lead times.

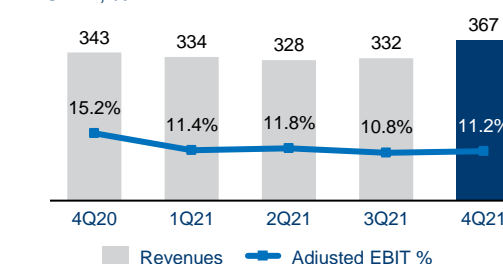
## Scaling up ahead of the growth curve

- SG&A 19.4% in 2021 (2020:18.3%), compared to mid-term YE23 target of 18.0%. SG&A is temporarily higher and better cost coverage will be reached through more volume.
- Sales and marketing (S&M) costs were at a level of 12.5% of revenues in 2021 (2020: 11.4%) and reflect the step up in market coverage in line with plans to leverage global reach and digital solutions to drive organic growth, which has started to translate into increased orders.
- Travel for customer visits and exhibitions on the rise as restrictions are lifted, focus on maintaining cost efficiencies from new ways of working, but we are expecting high customer activity and orders in the coming period.
- General administrative (G&A) costs were 6.9% of revenues in 2021 (2020: 6.9%), with important transformative initiatives ongoing.
- A new shared services platform launched in October, one of several ongoing initiatives for standardization and aligned ways of working to support YE23 targets aimed to lower G&A costs.
- Innovation costs at the 6% level, or 5.9% in 2021 (2020: 5.6%).
- Marel does not adjust results for non-recurring costs, except for PPA and acquisition related costs.

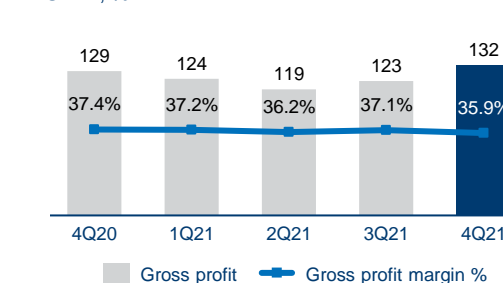
## Order book and orders received



## Revenues and adjusted EBIT<sup>1</sup>



## Gross profit



# Financial performance



## Continued focus on improved EBIT margin

- EBIT<sup>1</sup> was EUR 41.0m (3Q21: 36.0m, 4Q20: 52.3m), translating to an EBIT<sup>1</sup> margin in the quarter of 11.2% (3Q21: 10.8%, 4Q20: 15.2%).
- For the full year, EBIT<sup>1</sup> was EUR 153.6m (2020: 166.8m), translating EBIT<sup>1</sup> margin 11.3% (2020: 13.5%).
- 2021 margins colored by step up in market coverage and infrastructure initiatives to increase speed and agility for the expected growth curve resulting in higher operating expenses, in addition to margin pressure from supply chain and logistics challenges.
- Strong orders received across all industries and processing stages will increase volume with foreseen more favorable industry mix, resulting in higher operating profits.
- Management continues to target medium and long-term EBIT margin expansion for Marel Meat and Marel Fish.

## Robust cash flow generation

- Operating cash flow was EUR 54.5m in the quarter (4Q20: 38.9m) and EUR 212.3m for the full year 2021 (2020: 217.6m).
- Operating cash flow before inventory buildup at healthy level. To ensure timely delivery of equipment and spare parts to customers, inventories increased by EUR 73.5m in 2021, thereof EUR 9.9m from business combinations, was added in 2021, using the strong balance sheet to mitigate supply chain challenges.
- Strong cash flow supports continued investment in infrastructure, innovation and growth strategy. Capital expenditures (CAPEX) in 4Q21 were EUR 34.8m (4Q20: 24.6m) while EUR 85.1m in 2021 (2020: 71.1m). Cash capital expenditures excluding R&D investments are expected to increase to on average 4-5% of revenues over the next four years, thereafter, returning to more normalized levels.
- Net cash used in investing activities, excluding business combinations and investments/loans in associates, was EUR 29.7m in the quarter (4Q20: 18.4m) and EUR 67.1m (2020: 51.7m) for the full year equivalent.
- Free cash flow was EUR 15.8m in the quarter (4Q20: 17.7m) and EUR 116.0m for the full year 2021 (2020: 140.5m). Free cash flow in the quarter impacted by high investments in property, plant, and equipment including supply chain improvement projects as well as leases converted into assets in key Marel sites.
- Strong cash conversion supports continued investments in innovation, infrastructure and strategic inventory buildup when needed.

## Robust financial position to support the 2017-2016 growth strategy

- Leverage was 1.0x at the end of 4Q21 (4Q20: 1.0x), well below the targeted capital structure of 2-3x.
- Committed liquidity of EUR 666.5m at year-end 2021, including fully committed all-senior funding in place until 2025.
- The strong financial position enables continued investment and will facilitate future strategic moves in the ongoing industry consolidation wave, in line with the company's 2017-2026 growth strategy.

## Resilient business model

- Marel is a critical infrastructure company in the food industry. The company's significant investments in recent years in Marel's global reach, digital platform and infrastructure, have been instrumental in positioning the company to successfully navigate a business environment colored by the pandemic, geopolitical uncertainty, trade constraints and accelerated changes in consumer behavior.
- Marel's effort in recent years, to shorten production lead times and co-locate production, has also created more resilience in the supply chain. This together with the strategic inventory buildup allows us to be more agile during turbulent times, continue to serve customers' needs and ultimately keep the food value chain running.

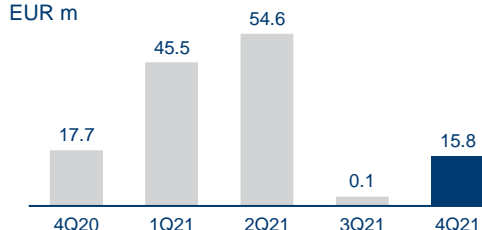
## Dividend proposal of 40% payout ratio for upcoming AGM

- In line with Marel's targeted capital allocation and dividend policy of 20-40% payout ratio, the Board of Directors will propose a 40% payout ratio at the 2022 Annual General Meeting, to be held on 16 March 2022 (2021: 40%, 2020: 40%).
- Based on a EUR 5.12 cents dividend per outstanding share paid for the operational year 2021, or 6% lower per share than in 2020, the estimated total dividend payment will be around EUR 38.7m.

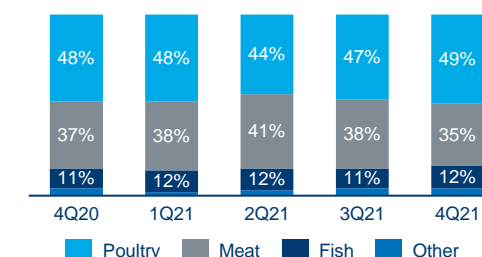
## 2021 Capital Markets Day mini-series – watch the 5 events

- This year, Marel hosted a series of virtual Capital Markets Day events where Marel leadership, joined by our experts and customers, provided a 360° insight into how Marel delivers growth — globally, digitally and sustainably.
- The 360° mini-series consists of a virtual site visit to Marel in Iceland and four Capital Markets Day virtual events centered on four key features of Marel's unique equity story and the future of food processing: growth, global reach, digitalization and sustainability.
- The virtual events were recorded and available on [marel.com/cmd360](https://marel.com/cmd360).

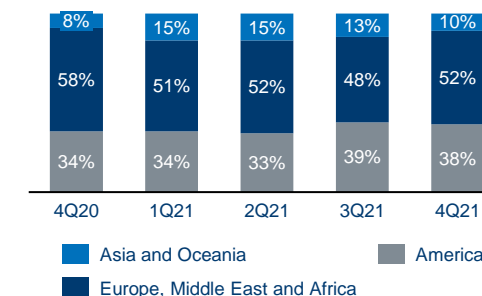
Free cash flow  
EUR m



Revenues by industry  
%



Revenues by geography  
%

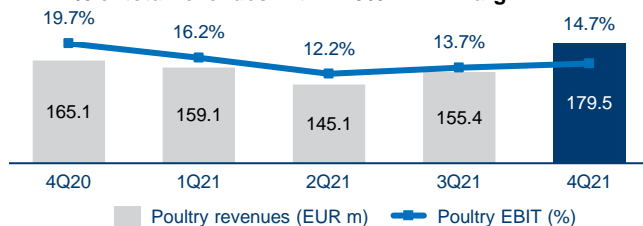


# Industry performance



## Marel Poultry

4Q21: 49% of total revenues with 14.7% EBIT<sup>1</sup> margin  
FY21: 47% of total revenues with 14.3% EBIT<sup>1</sup> margin

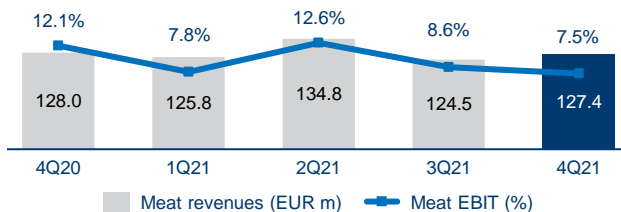


4Q21	4Q20	Change		FY21	FY20	Change
179.5	165.1	8.7%	Revenues	639.1	635.4	0.6%
26.4	32.5	-18.8%	EBIT <sup>1</sup>	91.2	116.0	-21.4%
14.7%	19.7%		EBIT <sup>1</sup> as a % of revenues	14.3%	18.3%	

- *Full-line offering* with one of the largest installed base world-wide, focusing on roll-out of innovative solutions and market penetration through cross-selling of secondary and further processing solutions.
- Recent bolt-on acquisition of PMJ fueling organic growth in terms of new sales into the duck market.
- *Orders received* for Marel Poultry were strong in 4Q21, driven by demand for consumer-ready solutions. Orders have been strong for three sequential quarters after a soft start to the year, supporting stronger volume going forward with a favorable product mix. Pipeline remains strong,
- *Revenues* in 4Q21 for Marel Poultry were EUR 179.5m, up 8.7% YoY (4Q20: 165.1m). Revenues in 2021 were EUR 639.1m, at same level as the previous year (2020: 635.4m), despite softness in orders for larger projects in the beginning of 2021 that impacted volume during the year.
- *EBIT<sup>1</sup> margin* in 4Q21 was 14.7% (4Q20: 19.7%) and 14.3% for the full year (2020: 18.3%), impacted by volatility in volume and scaling up ahead of the growth curve.
- On the back of a stronger order book and pipeline, volume will continue to increase with foreseen more favorable mix, resulting in higher operating profits.

## Marel Meat

4Q21: 35% of total revenues with 7.5% EBIT<sup>1</sup> margin  
FY21: 38% of total revenues with 9.2% EBIT<sup>1</sup> margin

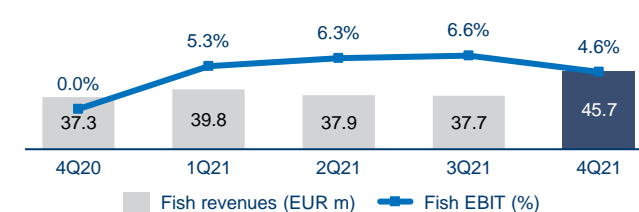


4Q21	4Q20	Change		FY21	FY20	Change
127.4	128.0	-0.5%	Revenues	512.5	419.1	22.3%
9.5	15.5	-38.7%	EBIT <sup>1</sup>	47.0	36.3	29.5%
7.5%	12.1%		EBIT <sup>1</sup> as a % of revenues	9.2%	8.7%	

- *Full-line offering* with focus on strong product development, increased standardization and modularization, market penetration and further cross- and upselling in key growth markets alongside significant step up in market coverage ahead of the growth curve.
- *M&A*: Acquisitions stimulating organic growth and accelerating the innovation roadmap by transferring technology across industries. TREIF acquisition in 2020 resulting in more project wins, leveraging combined customer base and complementary product portfolio.
- *Orders received* in 4Q21 for Marel Meat were strong with well-balanced mix and increased sales in consumer-ready solutions. Overall, orders received were strong in 2021 with improved mix. The need for automation has never been clearer and the pipeline shows good opportunities in China and North America.
- *Revenues* in 4Q21 for Marel Meat were EUR 127.4m, down by 0.5% YoY (4Q20: 128.0m). Revenues in 2021 were EUR 512.5m (2020: 419.1m), up 22.3% on the back of acquisitions and organic growth.
- *EBIT<sup>1</sup> margin* in 4Q21 of 7.5% (4Q20: 12.1%) Focus in 2021 was on stepping up market coverage, further strengthening the management team, value-based pricing, better project execution, and several other strategic initiatives ongoing for profit improvement, some of which resulted in non-recurring costs not adjusted for in the 2021 results.
- Management continues to target medium and long-term EBIT margin expansion for Marel Meat.

## Marel Fish

4Q21: 12% of total revenues with 4.6% EBIT<sup>1</sup> margin  
FY21: 12% of total revenues with 5.6% EBIT<sup>1</sup> margin



4Q21	4Q20	Change		FY21	FY20	Change
45.7	37.3	22.5%	Revenues	161.1	150.7	6.9%
2.1	0.0	100.0%	EBIT <sup>1</sup>	9.1	8.1	12.3%
4.6%	0.0%		EBIT <sup>1</sup> as a % of revenues	5.6%	5.4%	

- Objective to reach full-line offering across farmed and wild whitefish and salmon through continued focus on innovation and M&A.
- *M&A*: On 1 February 2022, Marel acquired the remaining 50.0% of the shares of Curio. The recent acquisitions of Curio, Stranda and Valka, which was successfully closed in 4Q21, will further accelerate the innovation roadmap to close certain application gaps to reach full-line offering for both salmon, as well as wild and farmed whitefish. Combined platform will also further unlock synergies in terms of cross- and upselling, market penetration and gradually expanding species coverage.
- Marel foresees higher revenues for in 2022 with better operating cost coverage, although non-recurring integration costs will soften results in coming two quarters.
- *Orders received* in 4Q21 for Marel Fish were at record levels and have overall been solid in 2021 after a soft start of the year. Strong pipeline for salmon while whitefish is also picking up and expectations of higher conversion of pipeline into orders in coming quarters.
- *Revenues* for Marel Fish in 4Q21 were EUR 45.7m (4Q20: 37.3m). Revenues in 2021 were EUR 161.1m (2020: 150.7m).
- *EBIT<sup>1</sup> margin* in 4Q21 was 4.6% (4Q20: 0.0%) and 5.6% for the full year (2020: 5.4%).
- Management continues to target medium and long-term EBIT margin expansion for Marel Fish.

# Key figures and outlook



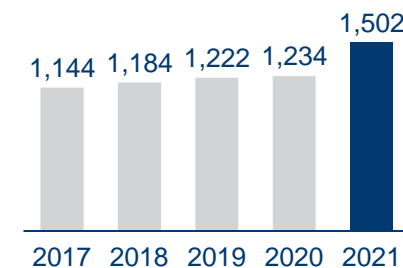
## Outlook

- 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. Supply chain and logistics challenges are expected to continue to have an impact in 2022, although it is not known what the full economic impact will be on Marel.
- Marel is committed to achieve its mid- and long-term growth targets. 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.
- In the period 2017-2026, Marel is targeting 12% average annual revenue growth through market penetration and innovation, complemented by strategic partnerships and acquisitions.
  - Marel's management expects average annual market growth of 4-6% in the long term. Marel aims to grow organically faster than the market, driven by innovation and growing market penetration.
  - Due to catch up effect from the past five years and a very strong tailwind in the market, accelerated by the pandemic, management believes that market growth in the medium term (2021-2026) will be at a level of 6-8%.
  - Maintaining solid operational performance and strong cash flow is expected to support 5-7% revenues growth on average by acquisition.
  - Marel's management expects basic EPS to grow faster than revenues.
- 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.

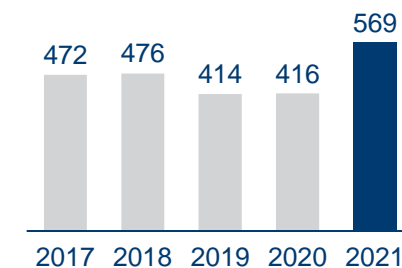
**Revenues**  
EUR m



**Orders received**  
EUR m



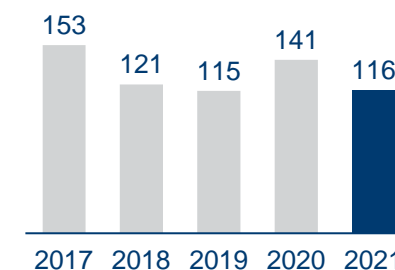
**Order book<sup>3</sup>**  
EUR m



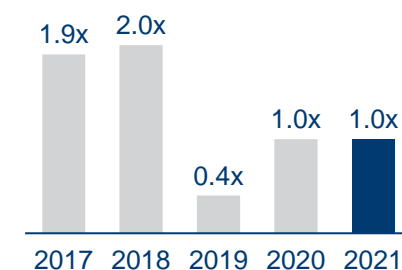
**EBIT<sup>1</sup> margin**  
%



**Free cash flow<sup>2</sup>**  
EUR m



**Leverage**  
Net debt/EBITDA



## Virtual investor meeting

On Thursday 3 February 2022, at 8:30 am GMT (9:30 am CET), Marel will host a virtual investor meeting where CEO Arni Oddur Thordarson and CFO Linda Jonsdottir will give an overview of the financial results and operational highlights in the fourth quarter and for the full year.

The virtual meeting will be webcast live on [marel.com/webcast](https://marel.com/webcast) and a recording will be available after the meeting on [marel.com/ir](https://marel.com/ir).

Members of the investment community can join the conference call at:


- IS: +354 800 7437 (PIN 79477837#)
- NL: +31 10 712 9162
- UK: 44 33 3300 9030
- US: +1 646 722 4957

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## Upcoming investor events in 2022

Marel regularly engages with market participants during non-deal roadshows, equity sales briefings, conferences, and other events. Here are some of Marel's upcoming investor events in 2022:

- Jefferies Pan-European Mid-Cap Conference, London, 29-31 March
- ABN AMRO-ODDO Benelux European Conference, Amsterdam, 18 May
- Berenberg Tarrytown Conference USA, New York, 25 May
- JP Morgan Capital Goods CEO Conference, London, 9-10 June
- ING Benelux Europe Conference, London, 7 September
- Citi European Growth Conference, London, 7-8 September
- Kepler Cheuvreux Autumn Conference, Paris, 13-15 September

## Upcoming trade shows and events in 2022

Marel regularly participates in exhibitions around the world where it showcases the company's innovative solutions. In addition, Marel hosts its own trade shows and KnowHows in the company's demonstration facilities. Here are some of Marel's upcoming events in 2022:

- CFIA in Rennes, France, 8-10 March
- Anuga FoodTec in Cologne, Germany, 26-29 April
- Seafood Processing Europe in Barcelona, Spain, 26-28 April
- IFFA in Frankfurt, Germany, 14-19 May
- VIV Europe in Utrecht, Netherlands, 31 May-2 June

## Financial calendar

Marel will publish its financial results according to the below financial calendar:

- AGM – 16 March 2022
- 1Q21 – 27 April 2022
- 2Q21 – 27 July 2022
- 3Q21 – 2 November 2022
- 4Q21 – 8 February 2023
- AGM – 22 March 2023

Financial results will be disclosed and published after market closing of both Nasdaq Iceland and Euronext Amsterdam.

## Disclaimer

### 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.



