

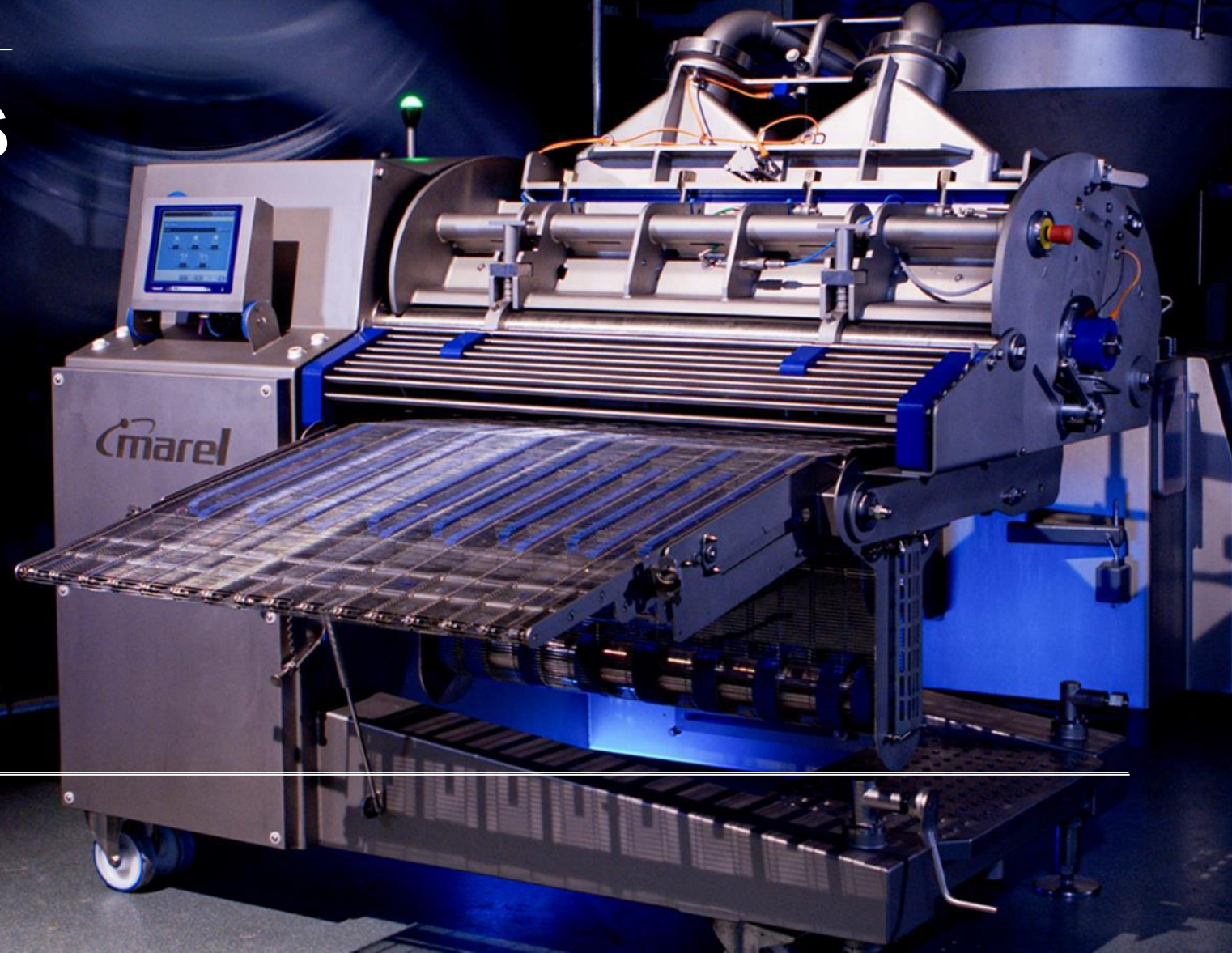
TRANSFORMING FOOD PROCESSING



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# Q3 2021 Results

## Investor meeting



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21 October 2021

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# Q3 2021 Results

## Investor meeting

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**Arni Oddur Thordarson**  
CEO



**Linda Jonsdottir**  
CFO

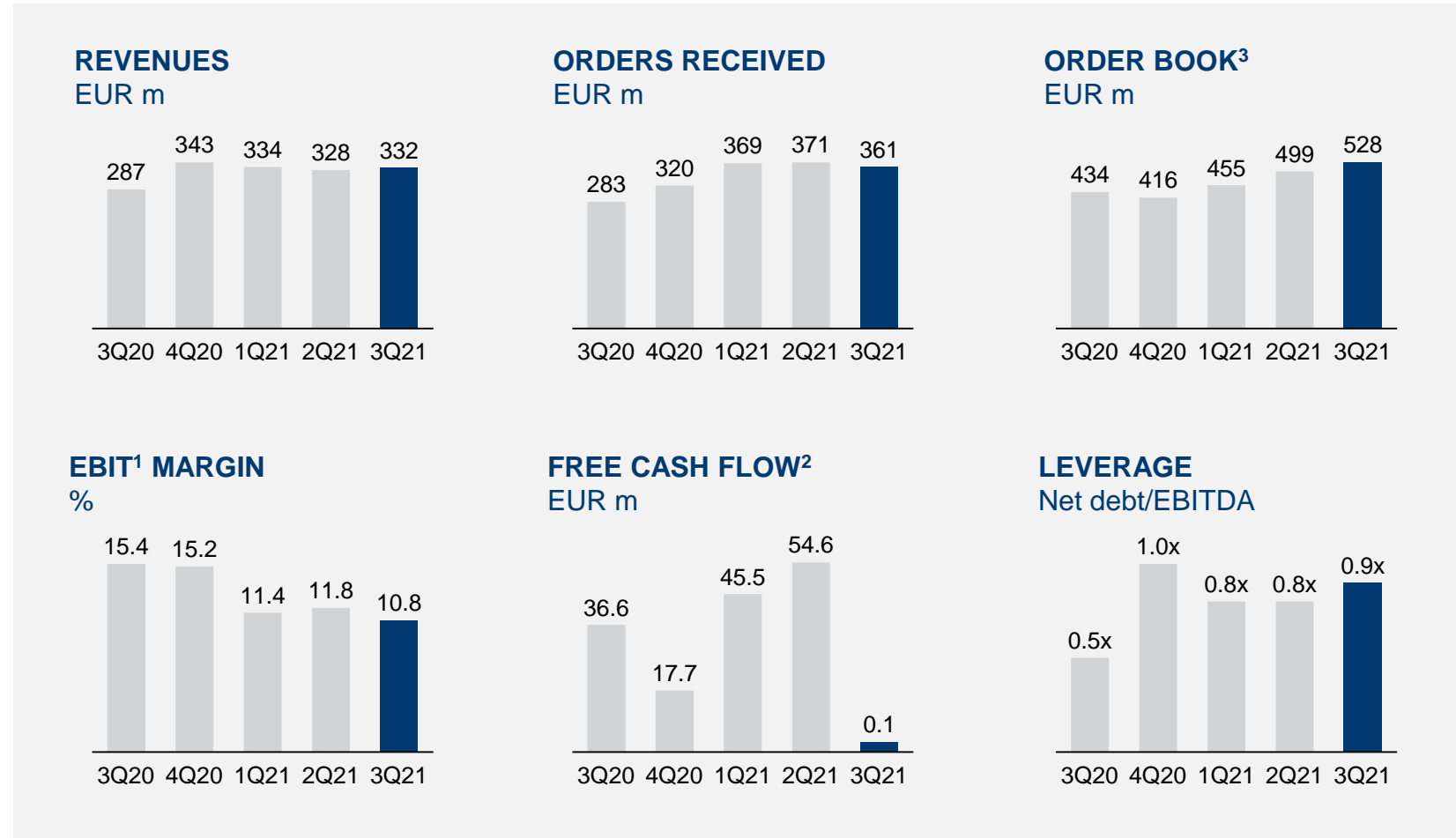
# Q3 2021 FINANCIAL HIGHLIGHTS



Strong order momentum, ensuring good customer delivery at higher costs

## HIGHLIGHTS

- Strong orders received leading to a healthy order book, strong quarter for poultry and fish while softer for meat
- Revenues up 15.6% YoY, split almost evenly between organic and acquired growth
- Aftermarket represents 40% of total revenues (3Q20: 41%)
- Gross profit at 37.1% in the quarter (3Q20: 39.2%), impacted by higher costs of customer deliveries
- Profitability temporarily hampered by supply chain and logistics challenges, and step-up of operating expenses ahead of the growth curve
- Strategic inventory buildup of EUR 26.3m tying up capital and cash flow in Q3



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

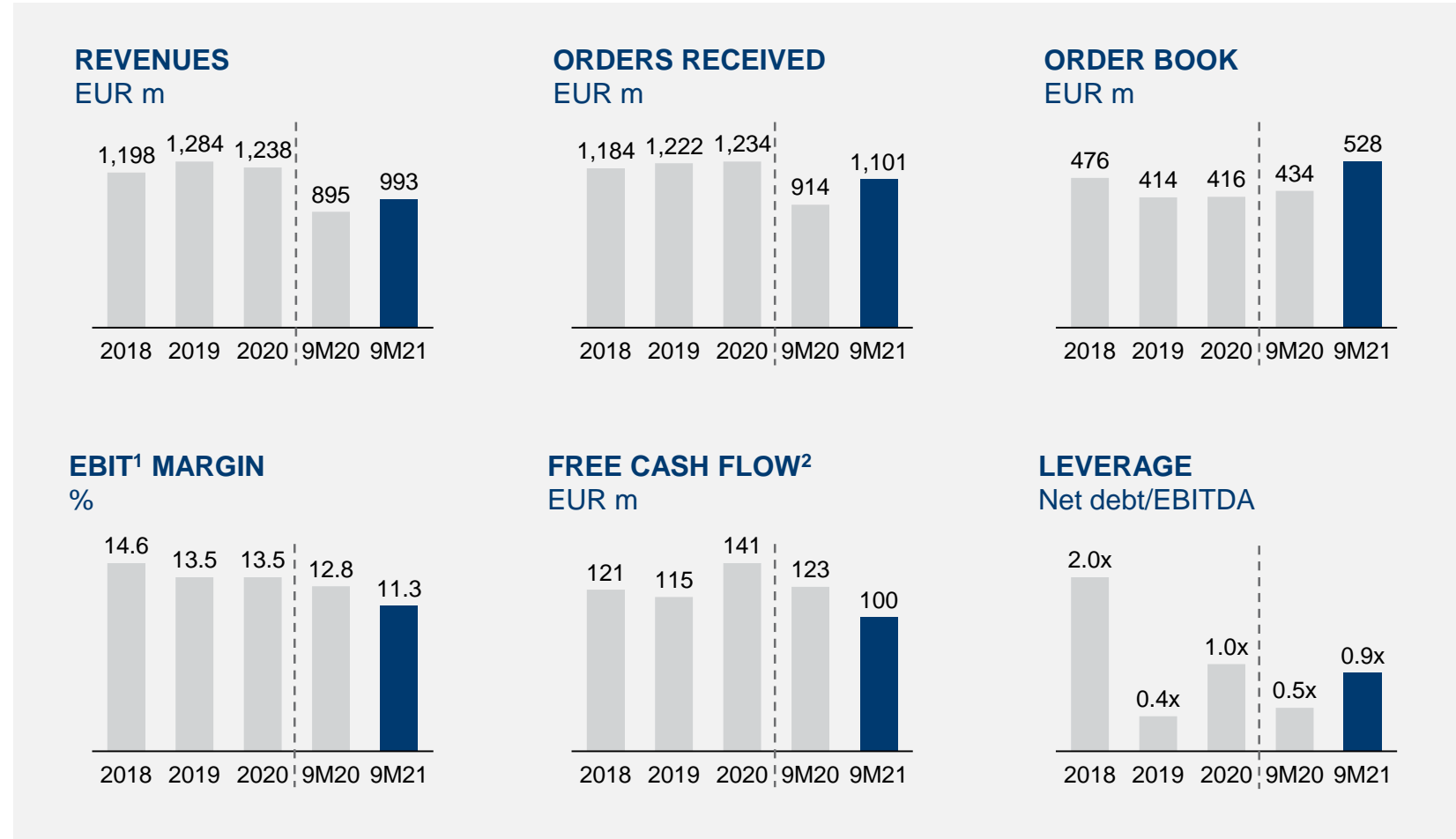
# 9M 2021 FINANCIAL HIGHLIGHTS



Orders received up 20% year-on-year, three sequential quarters of strong orders in Q1-Q3 2021, revenues of EUR 993m whereby 40% from solid recurring aftermarket revenues

## HIGHLIGHTS

- Orders received 9M21 up 20% YoY and pipeline building up, reflecting trustworthy reputation and long-standing customer relationships
- Order book was EUR 527.8m (9M20: 434.3m), representing 39.5% of 12-month trailing revenues
- Book-to-bill ratio of 1.09, compared to an average of 1.04 in the past four quarters (3Q20-2Q21)
- Strong cash flow in 2021 supporting significant strategic inventory buildup of EUR 51.9m in 9M21



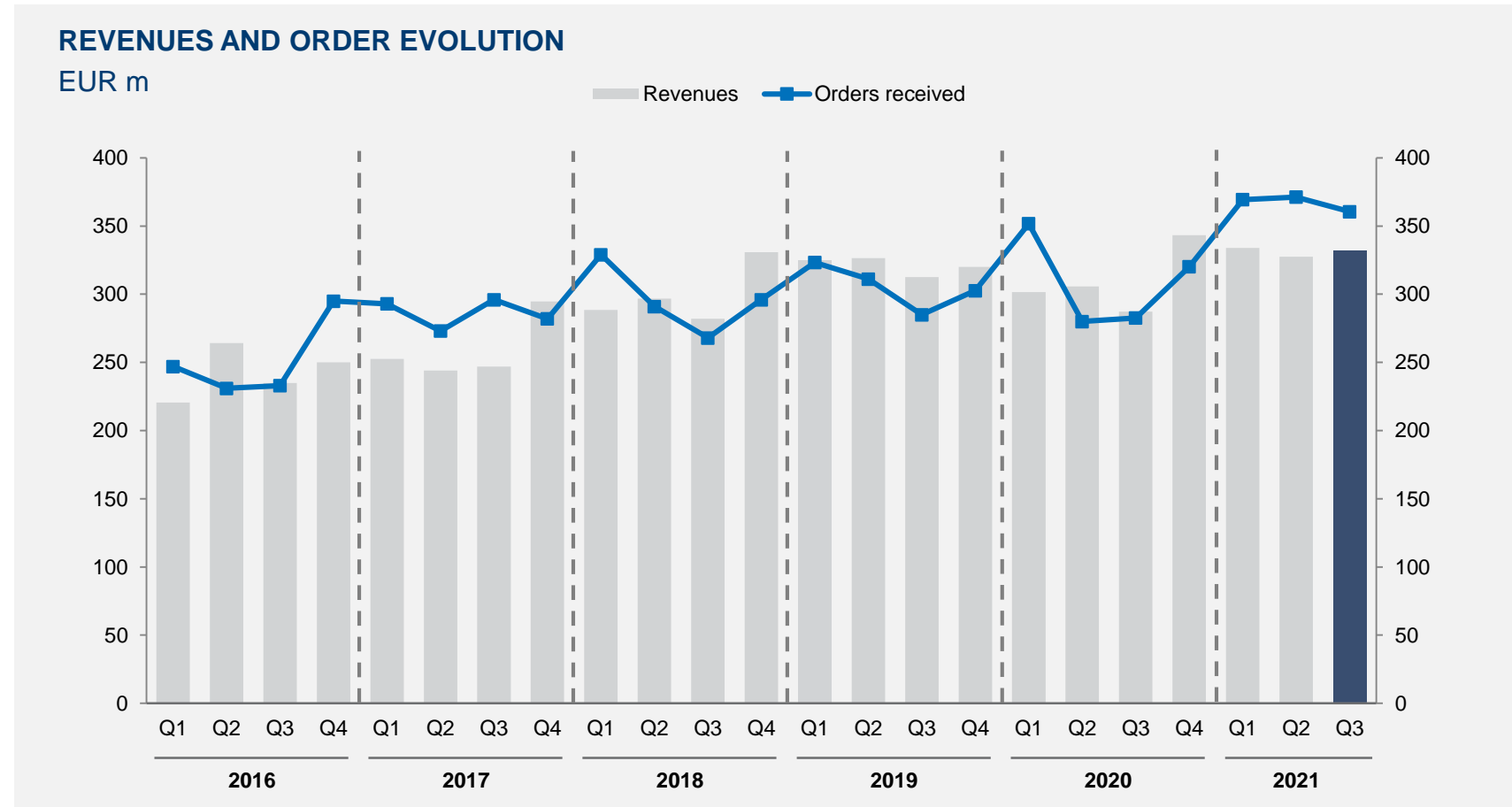
Note: <sup>1</sup> Operating income adjusted for PPA related costs, including depreciation and amortization, and beginning in Q4 2020 adjusted for acquisition related costs.  
<sup>2</sup> Free cash flow defined as cash generated from operating activities less taxes paid and net investments in PP&E and intangible assets.

# STRONG ORDERS RECEIVED IN 9M21



Pipeline building up across all industries and processing stages with strong momentum in sales of standard equipment and lines, with retail and food service market picking up

- Very strong first nine months of the year with combined orders received of EUR 1,101.3m, up 20% YoY
- Orders received in 3Q21 of EUR 360.6m, driven by strong orders in fish and poultry, while softer for the meat industry
- The pipeline for large greenfields and modernization projects is building up in all industries across all processing stages
- M&A continues to stimulate organic growth, and Marel secured orders in 3Q21 where a broader product portfolio following recent acquisitions of TREIF, Curio and PMJ were key
- A record quarter in spare part deliveries, full focus on strengthening the spare parts delivery model and shortening lead times to customers





# 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 155.4m revenues 3Q21  
13.7% EBIT<sup>1</sup> margin 3Q21  
14.1% EBIT<sup>1</sup> margin 9M21

- Marel Poultry secured a major order from Aurora, third biggest food processing company in LATAM, with focus on modernization, optimization and digitalization to improve end-to-end traceability, nutrition and product quality.
- Orders received for Marel Poultry were strong in 2Q21 and 3Q21, supporting stronger volume going forward with a good product mix. Pipeline remains strong.
- EBIT in 3Q21 was EUR 21.3m (3Q20: 33.3m) and the EBIT margin was 13.7% (3Q20: 21.1%).
- 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.

**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 124.5m revenues 3Q21  
8.6% EBIT<sup>1</sup> margin 3Q21  
9.7% EBIT<sup>1</sup> margin 9M21

- Acquisitions stimulating organic growth through cross- and upselling, and accelerating the innovation roadmap by transferring technology across industries.
- Orders received in 3Q21 for Marel Meat were softer than in previous quarters. Significant volatility in meat prices in different geographies changed the composition of orders and affected timing of investment decisions. The need for automation has never been clearer and the pipeline shows good opportunities in all regions and expectation of higher conversion of pipeline into orders in coming quarters.
- EBIT in 3Q21 was EUR 10.7m (3Q20: 7.6m) and EBIT margin of 8.6% (3Q20: 8.4%), colored by lower volume QoQ (2Q21: 17.0m, 12.6%).
- Management continues to target medium and long-term EBIT<sup>1</sup> 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 37.7m revenues 3Q21  
6.6% EBIT<sup>1</sup> margin 3Q21  
6.1% EBIT<sup>1</sup> margin 9M21

- Agreement to acquire Valka announced in 3Q21, pending anti-trust and other customary closing conditions. Curio acquisition consolidated as of 4 Jan 2021. Salmon primary processing offering solidified through the strategic partnership with Stranda and 40% of their shares.
- Innovation roadmap accelerated to close certain application gaps to reach full-line offering.
- Orders received in 3Q21 for Marel Fish were solid. Strong pipeline for both small and medium-sized projects. 4Q21 started on a strong note in the fish industry with key large projects secured.
- EBIT in 3Q21 was EUR 2.5m (3Q20: 2.5m) and the EBIT margin was 6.6% (3Q20: 7.6%), higher volume is needed to deliver sufficient margin improvement.
- Management continues to target medium and long-term EBIT<sup>1</sup> 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 Q3 2021. Other segment accounts for around 4% of the revenues in Q3 2021.

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

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# Financial performance

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Linda Jonsdottir,  
Chief Financial Officer

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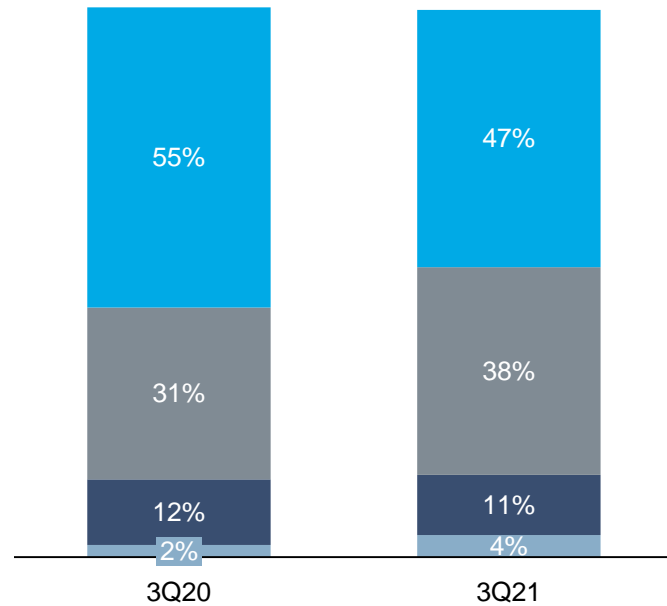
# GOOD QUALITY OF EARNINGS



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

## REVENUES BY INDUSTRY

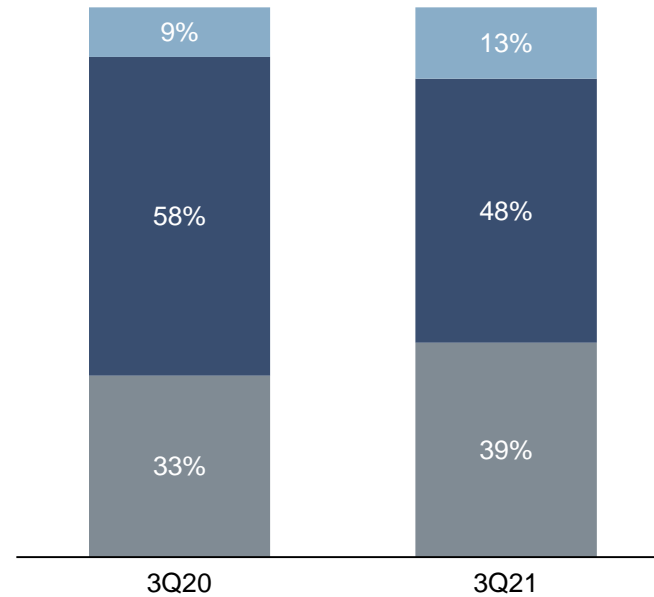
%



- Poultry
- Meat
- Fish
- Other

## REVENUES BY GEOGRAPHY

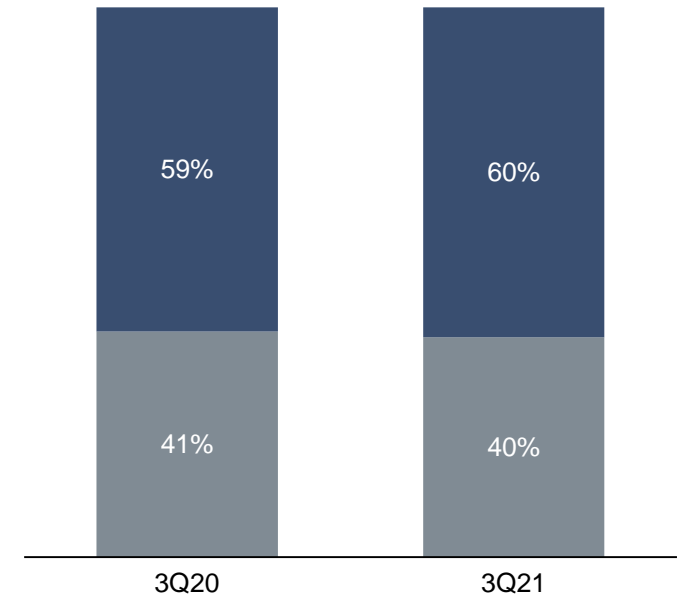
%



- Asia and Oceania
- Europe, Middle East and Africa
- Americas

## REVENUES BY BUSINESS MIX

%



- Equipment<sup>1</sup>
- Aftermarket<sup>2</sup>

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

<sup>2</sup> Aftermarket revenues are comprised of revenues from maintenance, service, and spare parts.

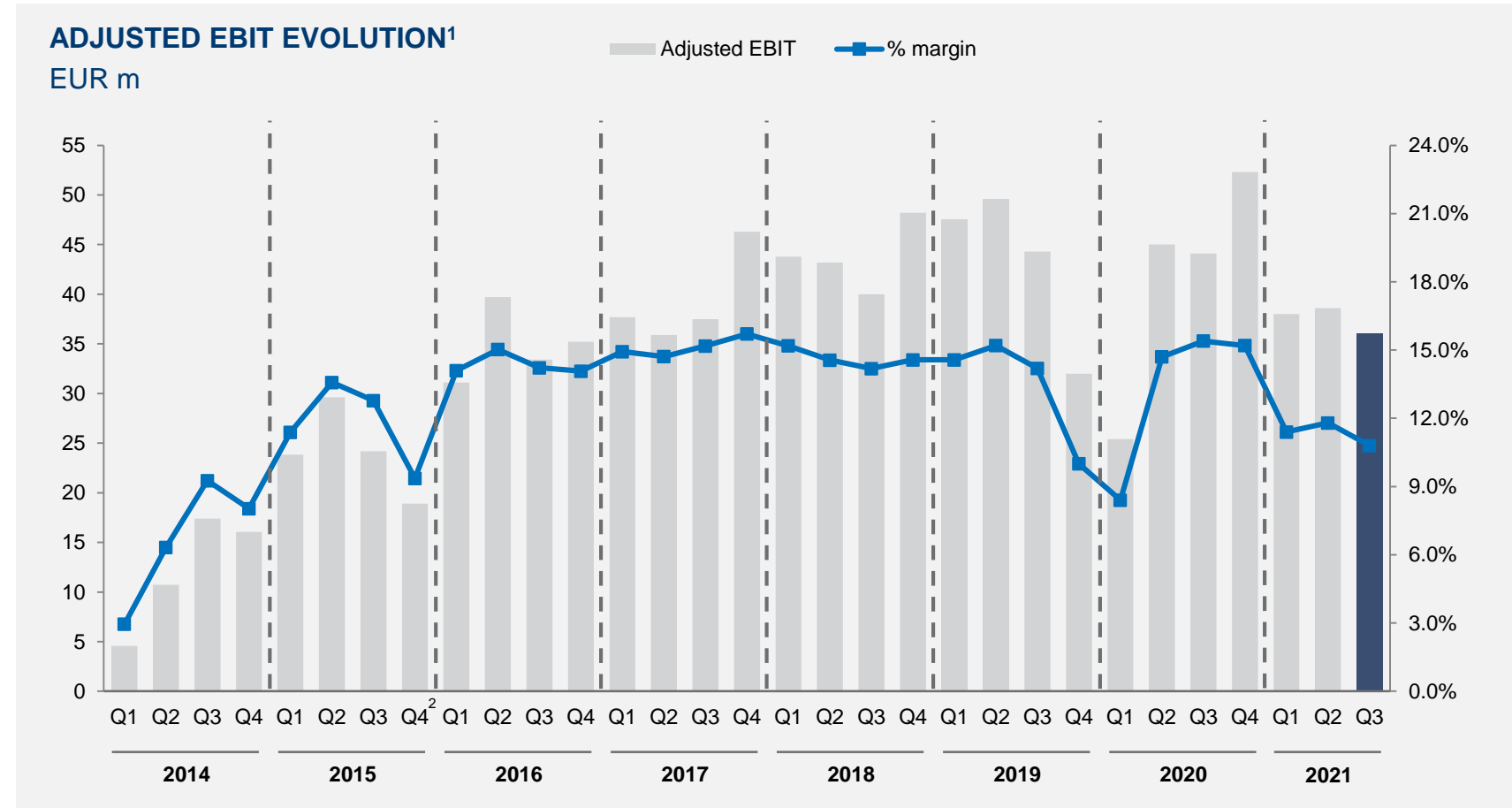


# OPERATIONAL PERFORMANCE



Continued margin pressures due to supply chain and logistics costs of delivering the right quality at the right time to customers

- Gross profit at 37.1% (3Q20: 39.2%), below the mid-term target of 40% by YE23
  - Margin impacted by increased costs due to supply chain and logistics
  - Imbalance between supply and demand for electronic components and raw materials, resulting in an increase in prices and delivery times
  - Price increases of 4-6% on new orders implemented in 3Q21 that will partly offset increased costs
- Operating costs
  - SG&A at 20.3% (3Q20: 18.2%), compared to mid-term YE23 target of 18.0%
  - R&D at 6.0% (3Q20: 5.6%), compared to mid-term YE23 target of 6.0%
- Results not adjusted for non-recurring costs, except for PPA and acquisition related costs



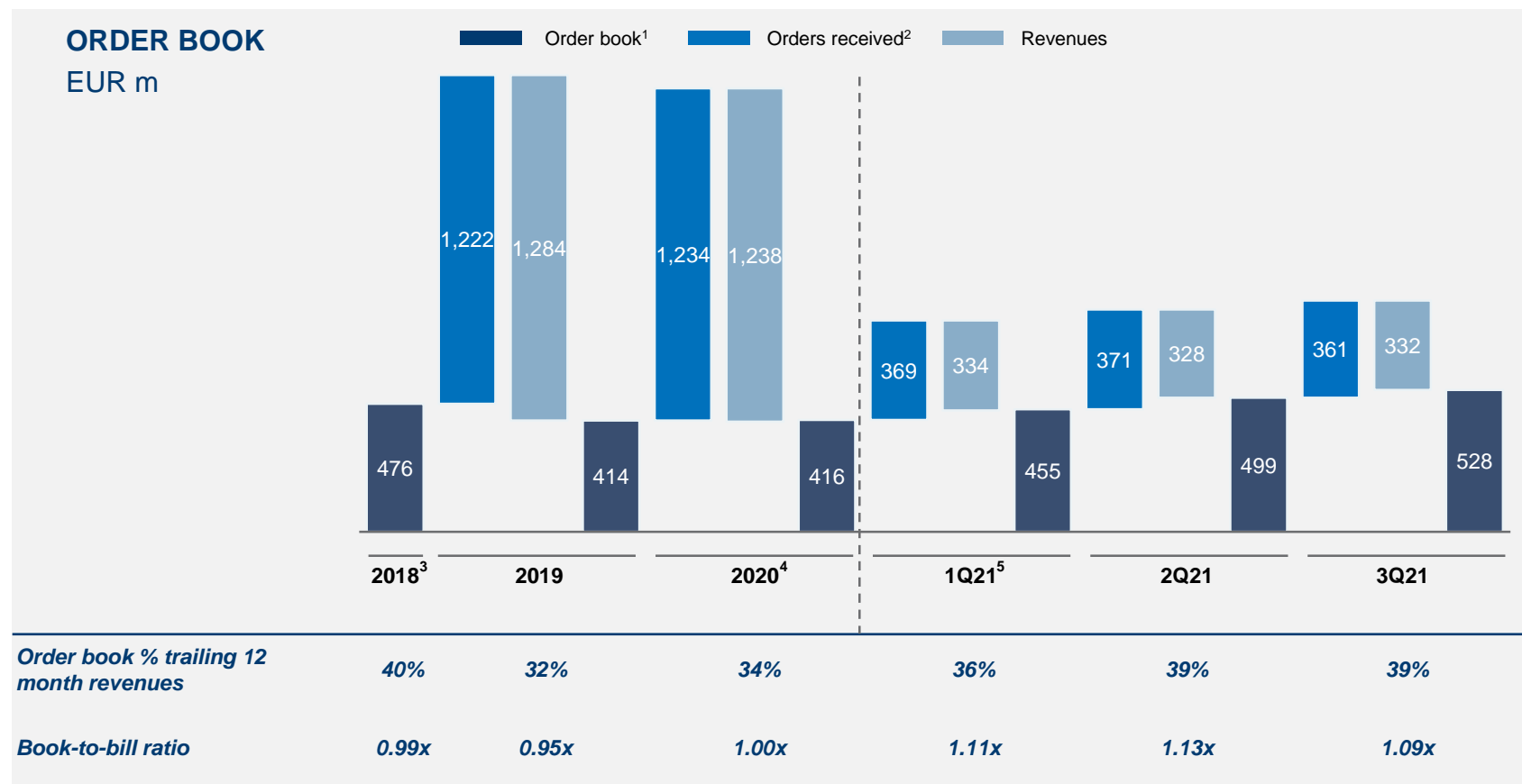
Note: <sup>1</sup> Adjusted for PPA costs related to acquisitions from 2016 onwards and refocusing costs in 2014 and 2015 relating to "Simpler, Smarter, Faster" program. PPA refers to amortization of acquisition related (in) tangible assets. Beginning in Q4 2020 also adjusted for acquisition related costs. <sup>2</sup> 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.

# STRONG ORDER BOOK



A strong order book of EUR 528 million, representing 39.5% of 12-month trailing revenues

- Book-to-bill 1.09x in 3Q21, compared to an average of 1.04x in the past four quarters (3Q20-2Q21)
- 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 single customer accounting for >5% of total revenues on an annual basis



Note: <sup>1</sup> 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.

<sup>2</sup> Orders received represents the total nominal amount, during the relevant period, of customer orders for equipment, software, service and spare parts registered by Marel. <sup>3</sup> Including acquired order book of MAJA of EUR 2m. <sup>4</sup> Including acquired order book of TREIF of EUR 5m in 4Q20. <sup>5</sup> Including acquired order book of Curio and PMJ of EUR 4.2m.

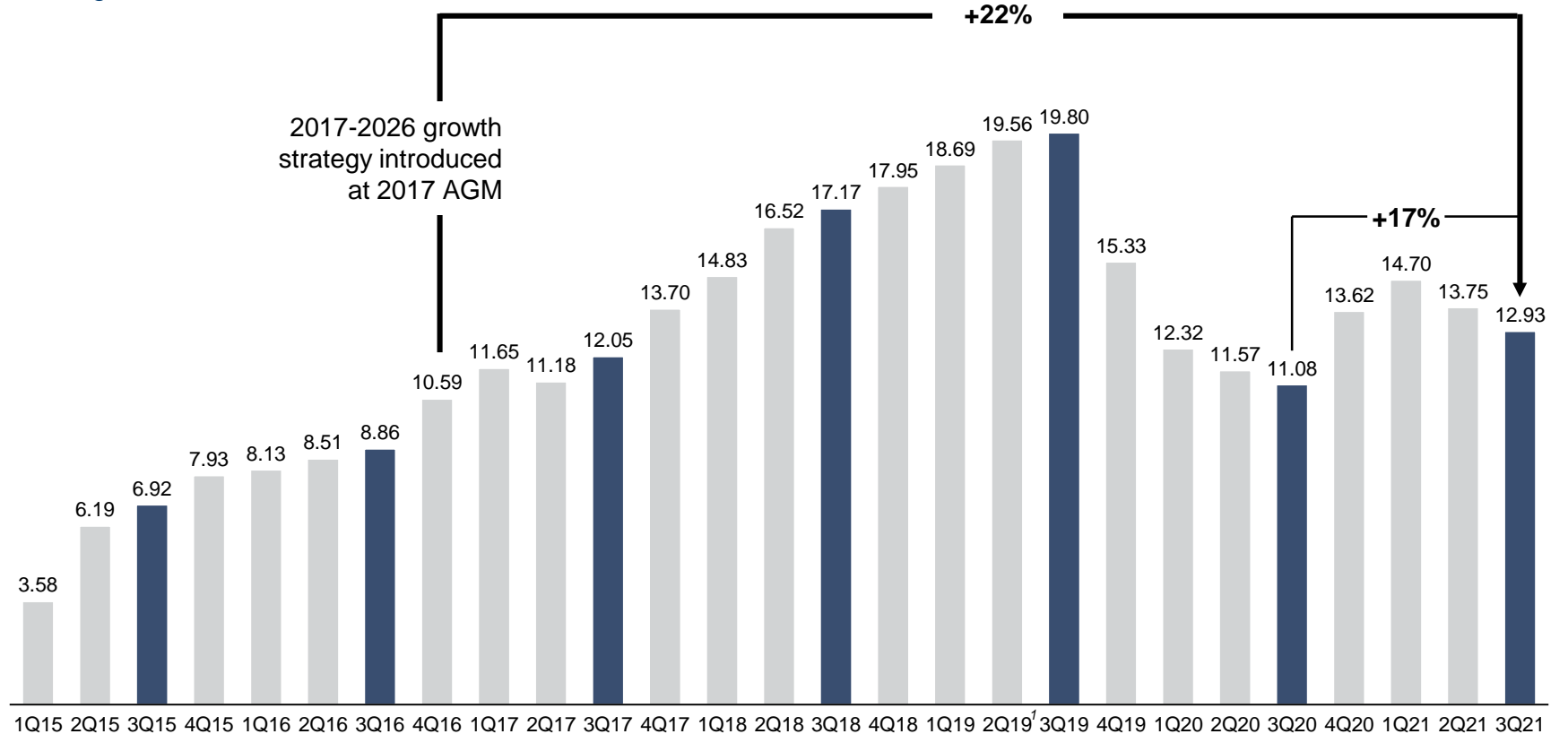
# EARNINGS PER SHARE



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
- Basic earnings per share were EUR 3.10 cents (3Q20: 3.93 cents) and earnings per share trailing twelve months was EUR 12.93 cents in 3Q21 (3Q20: 11.08 cents)

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



Note: <sup>1</sup> 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: Q3 2021



Revenues in Q3 2021 were EUR 332 million, gross profit was EUR 123 million or 37.1% of revenues, and the adjusted EBIT was EUR 36.0 million or 10.8%

In EUR million	Q3 2021	Of revenues	Q3 2020	Of revenues	Δ
Revenues	331.9		287.2		+15.6%
Cost of sales	(208.7)		(174.7)		+19.5%
<b>Gross profit</b>	<b>123.2</b>	<b>37.1%</b>	<b>112.5</b>	<b>39.2%</b>	<b>+9.5%</b>
Selling and marketing expenses	(44.6)	13.4%	(31.1)	10.8%	+ 43.4%
General and administrative expenses	(22.8)	6.9%	(21.3)	7.4%	+7.0%
Research and development expenses	(19.8)	6.0%	(16.0)	5.6%	+23.8%
<b>Adjusted result from operations<sup>1</sup></b>	<b>36.0</b>	<b>10.8%</b>	<b>44.1</b>	<b>15.4%</b>	<b>-18.4%</b>
Non-IFRS adjustments	(4.6)		(2.7)		+70.4%
<b>Result from operations</b>	<b>31.4</b>	<b>9.5%</b>	<b>41.4</b>	<b>14.4%</b>	<b>-24.2%</b>
Net finance costs	(2.1)		(3.2)		-34.4%
Share of result of associates	0.0		(0.1)		-100.0%
<b>Result before income tax</b>	<b>29.3</b>		<b>38.1</b>		<b>-23.1%</b>
Income tax	(6.1)		(8.7)		-29.9%
<b>Net result</b>	<b>23.2</b>	<b>7.0%</b>	<b>29.4</b>	<b>10.2%</b>	<b>-21.1%</b>

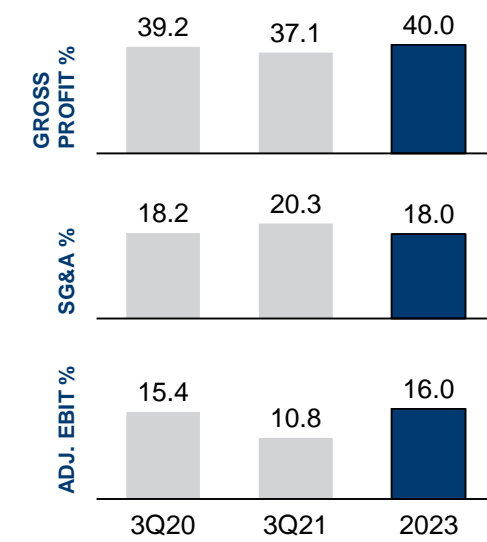
Note: The income statement as presented above provides an overview of the quarterly Adjusted result from operations, which management believes to be a relevant Non-IFRS measurement.

<sup>1</sup> 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	Q3 2021	Of revenues		Mid-term target
Revenues	331.9			
Cost of sales	(208.7)			
<b>Gross profit</b>	<b>123.2</b>	<b>37.1%</b>	→	<b>Gross profit ~40%</b>
Selling and marketing expenses	(44.6)	13.4%	} 20.3%	→ <b>SG&amp;A ~18%</b>
General and administrative expenses	(22.8)	6.9%		
Research and development expenses	(19.8)	6.0%		
<b>Adjusted result from operations<sup>1</sup></b>	<b>36.0</b>	<b>10.8%</b>		
Non-IFRS adjustments	(4.6)			
<b>Result from operations</b>	<b>31.4</b>	<b>9.5%</b>		
Net finance costs	(2.1)			
Share of result of associates	0.0			
<b>Result before income tax</b>	<b>29.3</b>			
Income tax	(6.1)			
<b>Net result</b>	<b>23.2</b>	<b>7.0%</b>		



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.

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



# BALANCE SHEET: ASSETS



## Q3 2021 Condensed Consolidated Interim Financial Statements

- Safety stock of spare and production parts systematically built up to serve customer demand and ensure timely delivery since onset of pandemic, for a total of EUR 26.3m in 3Q21 and EUR 51.9m in 9M21
- Supply chain issues have escalated in past few months, whereby there are still some delays in critical parts impacting operations
- Strong balance sheet used to mitigate supply chain challenges
- Contract assets increased due to timing of production and shipment of larger orders, impact from missing components

### ASSETS

In EUR million	30/09 2021	31/12 2020	Δ
Property, plant and equipment	208.8	196.7	+6.2%
Right of use assets	47.2	42.7	+10.5%
Goodwill	687.0	678.8	+1.2%
Intangible assets	338.1	331.0	+2.1%
Investments in associates	11.3	17.6	-35.8%
Other receivables	-	2.1	-100.0%
Deferred income tax assets	14.8	13.3	+11.3%
<b>Non-current assets</b>	<b>1,307.2</b>	<b>1,282.2</b>	<b>+1.9%</b>
Inventories	251.8	199.9	+26.0%
Contract assets	57.8	46.1	+25.4%
Trade receivables	153.8	151.3	+1.7%
Assets held for sale	-	1.8	-100.0%
Derivative financial instruments	0.7	1.9	-63.2%
Other receivables and prepayments	51.1	53.1	-3.8%
Cash and cash equivalents	66.2	78.6	-15.8%
<b>Current assets</b>	<b>581.4</b>	<b>532.7</b>	<b>+9.1%</b>
<b>TOTAL ASSETS</b>	<b>1,888.6</b>	<b>1,814.9</b>	<b>+4.1%</b>

# BALANCE SHEET: EQUITY AND LIABILITIES



## Q3 2021 Condensed Consolidated Interim Financial Statements

- Contract liabilities increased in line with a higher order book, Marel receives down payments to financially secure orders which has a positive impact on working capital
- Committed liquidity of EUR 674.3m at the end of Q3, including fully committed all-senior funding in place until 2025
- Leverage ratio at 0.9x, 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 2017-2026 growth strategy
- Option to acquire remaining 50.0% of Curio shares was recorded in 1Q21 as a liability in non-current other payables

### EQUITY AND LIABILITIES

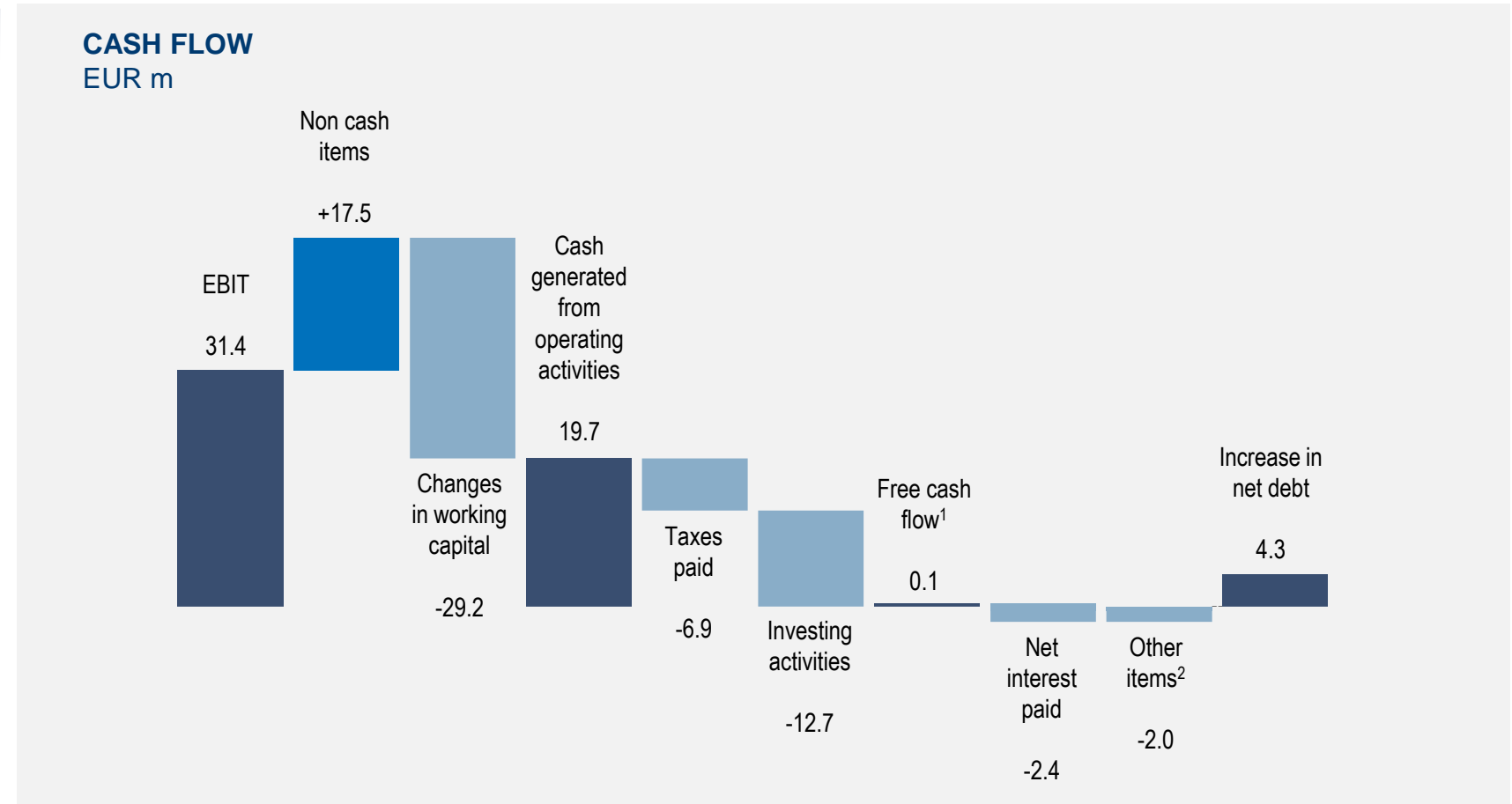
In EUR million	30/09 2021	31/12 2020	Δ
<b>Group Equity</b>	<b>981.4</b>	<b>958.7</b>	<b>+2.4%</b>
Borrowings	204.8	240.2	-14.7%
Lease liabilities	37.7	33.6	+12.2%
Deferred income tax liabilities	85.0	84.9	+0.1%
Provisions	4.1	4.1	-
Other payables	16.2	1.1	+1,372.7%
Derivative financial instruments	1.9	3.7	-48.6%
<b>Non-current liabilities</b>	<b>349.7</b>	<b>367.6</b>	<b>-4.9%</b>
Contract liabilities	286.8	236.6	+21.2%
Trade and other payables	238.5	222.7	+7.1%
Current income tax liabilities	12.4	8.8	+40.9%
Lease liabilities	10.3	10.0	+3.0%
Provisions	9.5	10.5	-9.5%
<b>Current liabilities</b>	<b>557.5</b>	<b>488.6</b>	<b>+14.1%</b>
<b>Total liabilities</b>	<b>907.2</b>	<b>856.2</b>	<b>+6.0%</b>
<b>Total equity and liabilities</b>	<b>1,888.6</b>	<b>1,814.9</b>	<b>+4.1%</b>

# CASH FLOW BRIDGE



Strategic inventory buildup tying up capital and cash flow in Q3 2021

- Strong cash conversion supports continued investment in infrastructure, innovation and 2017-2026 growth strategy
- Working capital impacted by inventory buildup during the quarter to ensure timely delivery of equipment and spare parts to customers, using the strong balance sheet to minimize operational issues
- Operational cash flow was EUR 19.7m in the quarter (3Q20: 54.1m) and EUR 157.8m 9M21 (9M20: 178.7m)
- Free cash flow was EUR 0.1m in the quarter (3Q20: 36.6m) and EUR 100.2m 9M21 (9M20: 122.8m)

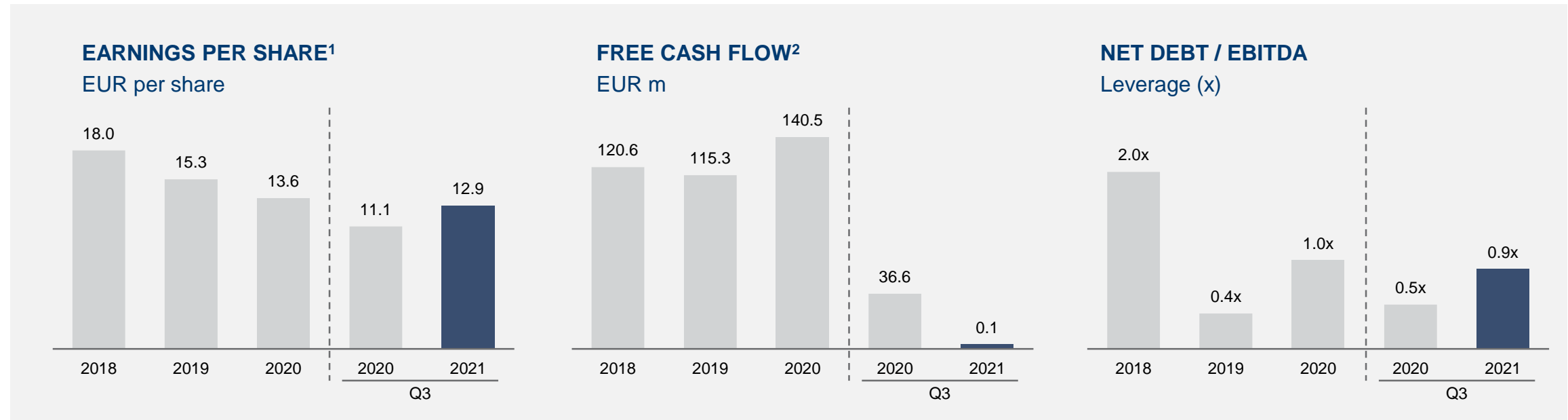


Note: <sup>1</sup> Free cash flow defined as cash generated from operating activities less taxes paid and net investments in PP&E and intangible assets. <sup>2</sup> Currency effect, change in capitalized finance charges, movement in lease liabilities, dividends paid and sale of treasury shares and options exercised.

# 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

## Healthy cash flow

- Operational cash flow in the quarter before inventory buildup at healthy level
- Free cash flow at EUR 0.1m in the quarter (3Q20: EUR 36.6m), strategic inventory buildup tying up capital and cash flow in 3Q21
- Free cash flow 9M21 is EUR 100.2m (9M20: 122.8m), significant inventory buildup over the same period of EUR 51.9m

## Capacity for further growth

- Net debt / EBITDA 0.9x at end of Q3 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: <sup>1</sup> Basic earnings per share, trailing twelve months. <sup>2</sup> Free cash flow defined as cash generated from operating activities less taxes paid and net investments in PP&E and intangible assets.

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# Business and outlook

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Arni Oddur Thordarson,  
Chief Executive Officer

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# AUTOMATION, A DRIVING FORCE



With food processing becoming more complex due to labor shortages and supply chain challenges processors are increasingly looking to digitize and automate to win in future market

## LABOR SCARCITY

### ROBOTICS



*"...we will need to continue to invest in automation because we don't believe the labor force is going to increase significantly in the coming future."*  
**Pilgrim's Pride, Q2 2021**

*"...we are accelerating investments in automation and advanced technologies to make team members' jobs easier."*  
**Tyson Foods, Q3 2021**

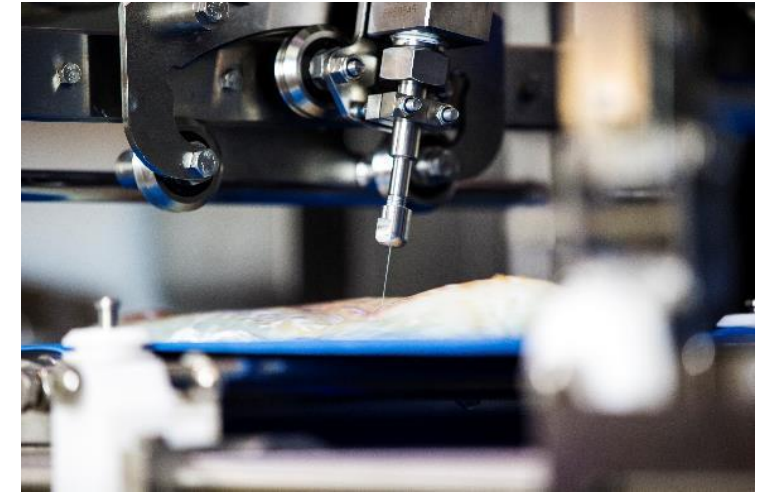


## DIGITALIZATION

### TRACEABILITY

## MODULAR LINE SOLUTIONS

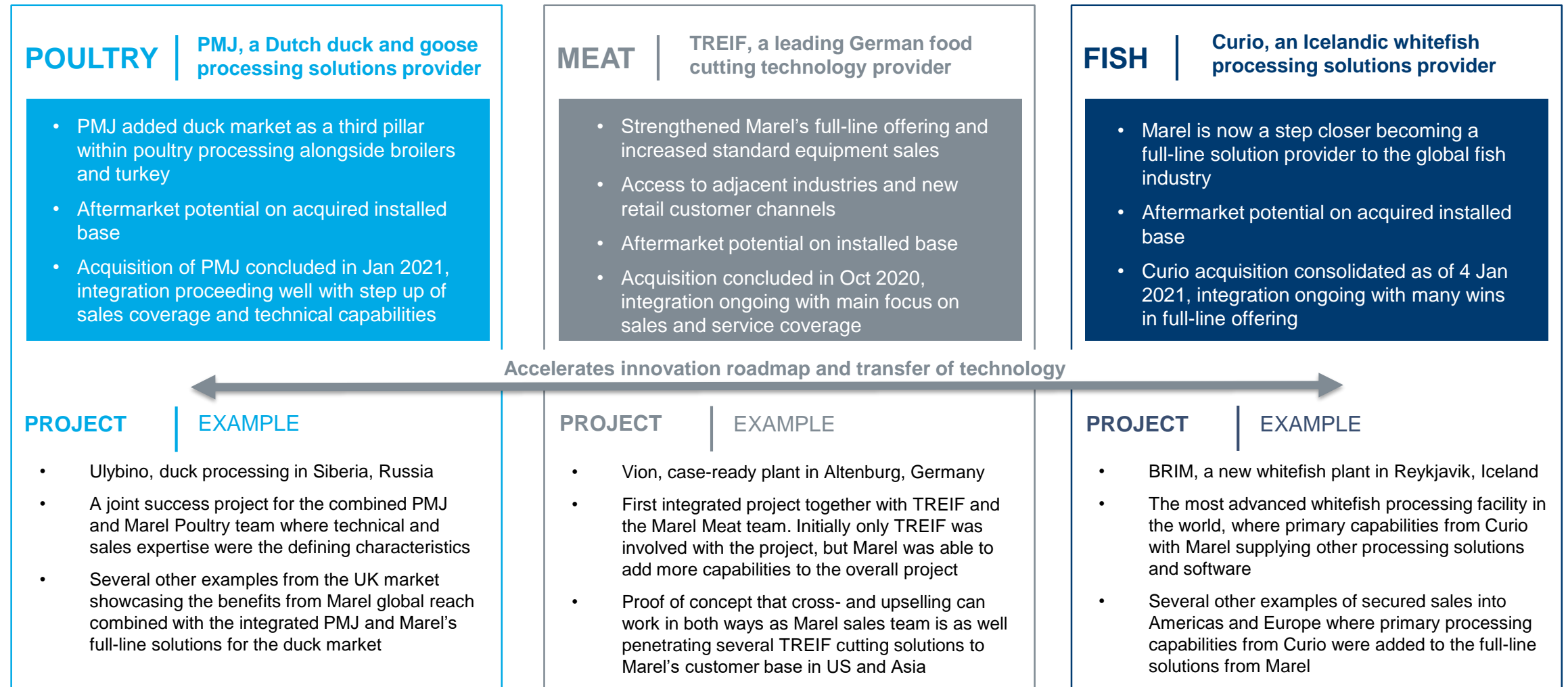
### CHANNEL FLEXIBILITY



*"...59 percent of companies in the grocery, food and beverage industries are increasingly open to invest in automation to survive changing market conditions."*  
**The 2020 Honeywell Intelligrated Automation Investment Study**

# STIMULATING ORGANIC GROWTH AND ACCELERATING INNOVATION

Following recent acquisitions, Marel has secured important orders where a broader product portfolio and worldwide sales coverage were key to successful cross- and upselling



# BELL & EVAN'S NEW PLANT ON TRACK



Bell & Evan's state-of-the-art greenfield poultry processing plant is fully on track to open in November in Fredericksburg, Pennsylvania, despite challenges brought on by the pandemic

- Milestone project in Marel's history, signed in January 2020
- Will be among the most technologically advanced plants in the world, equipped throughout with Marel's high-tech full-line solutions and software
- Highly automated plant that raises animal wellbeing to the highest standard within the industry
- Important future reference plant for Marel in the US market
- Close partnership founded on shared values and commitment to sustainability, with aim to transform the industry

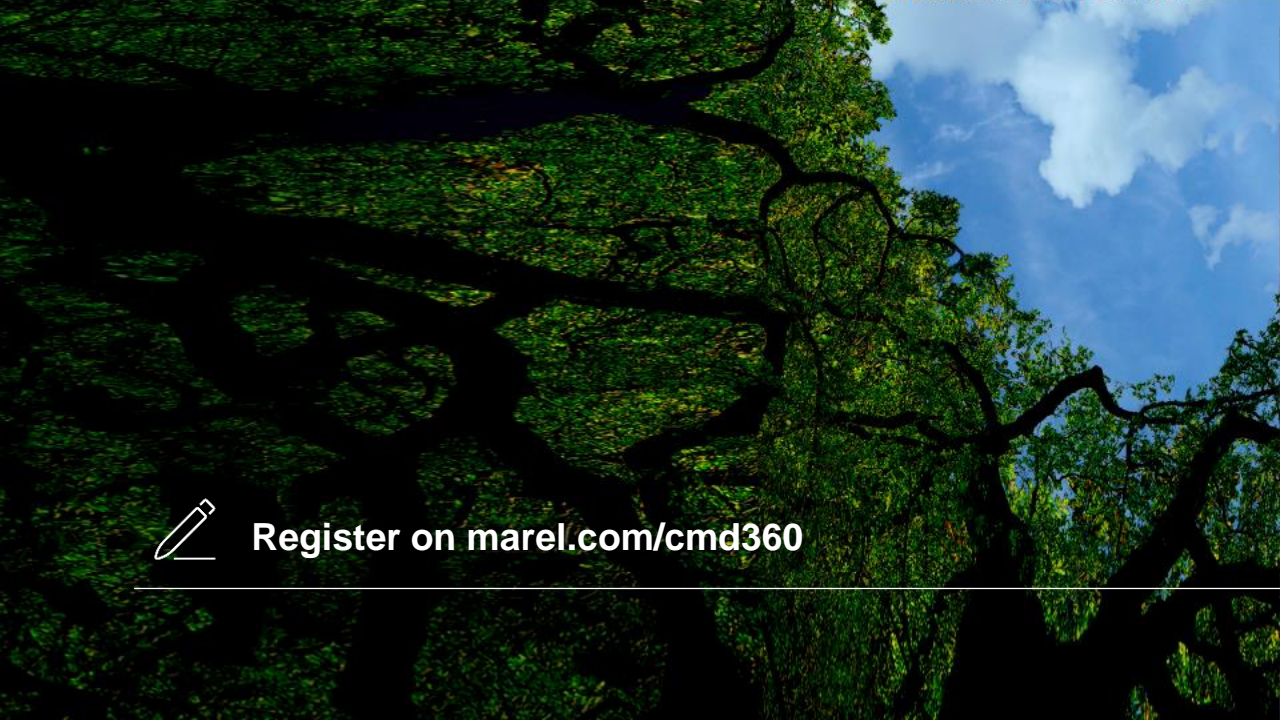
The screenshot shows the Bell & Evans website. At the top left is the Bell & Evans logo with 'Organic' written above it. To the right of the logo are social media icons for Facebook, Twitter, Instagram, LinkedIn, YouTube, and a search icon. Further right are three buttons: 'PRODUCT LOCATOR' (red), 'CAREERS' (green), and 'CONTACT US' (green). Below these are navigation links: 'OUR Story', 'OUR Farms', 'OUR Chicken', 'OUR Standards', 'OUR Kitchen', and 'GET The Facts'. The main content area features a large image of a modern, multi-story poultry processing plant with large glass windows and yellow structural elements. Text on the page reads: 'We're Transforming THE POULTRY INDUSTRY' and 'Our new, state-of-the-art poultry processing plant in Fredericksburg, Pennsylvania will raise the standard for food processing.' A green button says 'WATCH OUR PROGRESS REAL-TIME'. At the bottom, a green heading says 'New plant will be operational in:' followed by a digital countdown timer showing 38 days, 16 hours, 23 minutes, and 05 seconds. A 'Read more' link is at the bottom left of the screenshot.



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# Capital Markets Day - the 360° mini-series

Join our series of virtual Capital Markets Day events and explore how Marel delivers growth - globally, digitally, sustainably.



Register on [marel.com/cmd360](https://marel.com/cmd360)

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# 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		2017-2026 TARGETS		FY17	FY18	FY19	FY20	9M21	
<b>Gross profit</b>	<b>40%</b>	<b>Revenue growth<sup>1</sup></b>	<b>12%</b>	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%	11.1% YoY
				<b>CAGR 2017-3Q21</b>	<b>7.0%</b>				
<b>Innovation investment</b>	<b>6%</b>	<b>Innovation investment</b>	<b>~6% of revenues</b>	5.6%	6.2%	6.4%	5.6%	6.1%	
<b>SG&amp;A</b>	<b>18%</b>	<b>Earnings per share (TTM)</b>	<b>EPS to grow faster than revenues</b>	13.7	18.0	15.3	13.6	12.9	
<b>Adj.EBIT</b>	<b>16%</b>	<b>Leverage</b>	<b>Net debt / EBITDA 2-3x</b>	1.9x	2.0x	0.4x	1.0x	0.9x	
		<b>Dividend policy</b>	<b>20-40% of net result</b>	30%	30%	40%	40%	-	

Note: <sup>1</sup> 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		2017-2026 TARGETS	
<b>Gross profit</b>	<b>40%</b>	<b>Revenue growth<sup>1</sup></b>	<b>12%</b>
			<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. 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>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.</p> <p>Solid operational performance and strong cash flow is expected to support 5-7% revenue growth on average by acquisitions.</p>
<b>Innovation investment</b>	<b>6%</b>	<b>Innovation investment</b>	<b>~6% of revenues</b>
			To support new product development and ensure continued competitiveness of existing product offering.
		<b>Earnings per share</b>	<b>EPS to grow faster than revenues</b>
			Marel's management targets Earnings per Share to grow faster than revenues.
<b>SG&amp;A</b>	<b>18%</b>	<b>Leverage</b>	<b>Net debt / EBITDA 2-3x</b>
			The leverage ratio is targeted to be in line with the targeted capital structure of the company.
<b>Adj.EBIT</b>	<b>16%</b>	<b>Dividend policy</b>	<b>20-40% of net result</b>
			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: <sup>1</sup> 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.

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# Q&A

**Arni Oddur Thordarson**  
Chief Executive Officer

**Linda Jonsdottir**  
Chief Financial Officer

# QUESTIONS?

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WE'RE HERE TO HELP

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## 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.

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**Thank you**

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