27 July 2023

Q2 2023

Investor meeting

Arni Oddur Thordarson
Chief Executive Officer

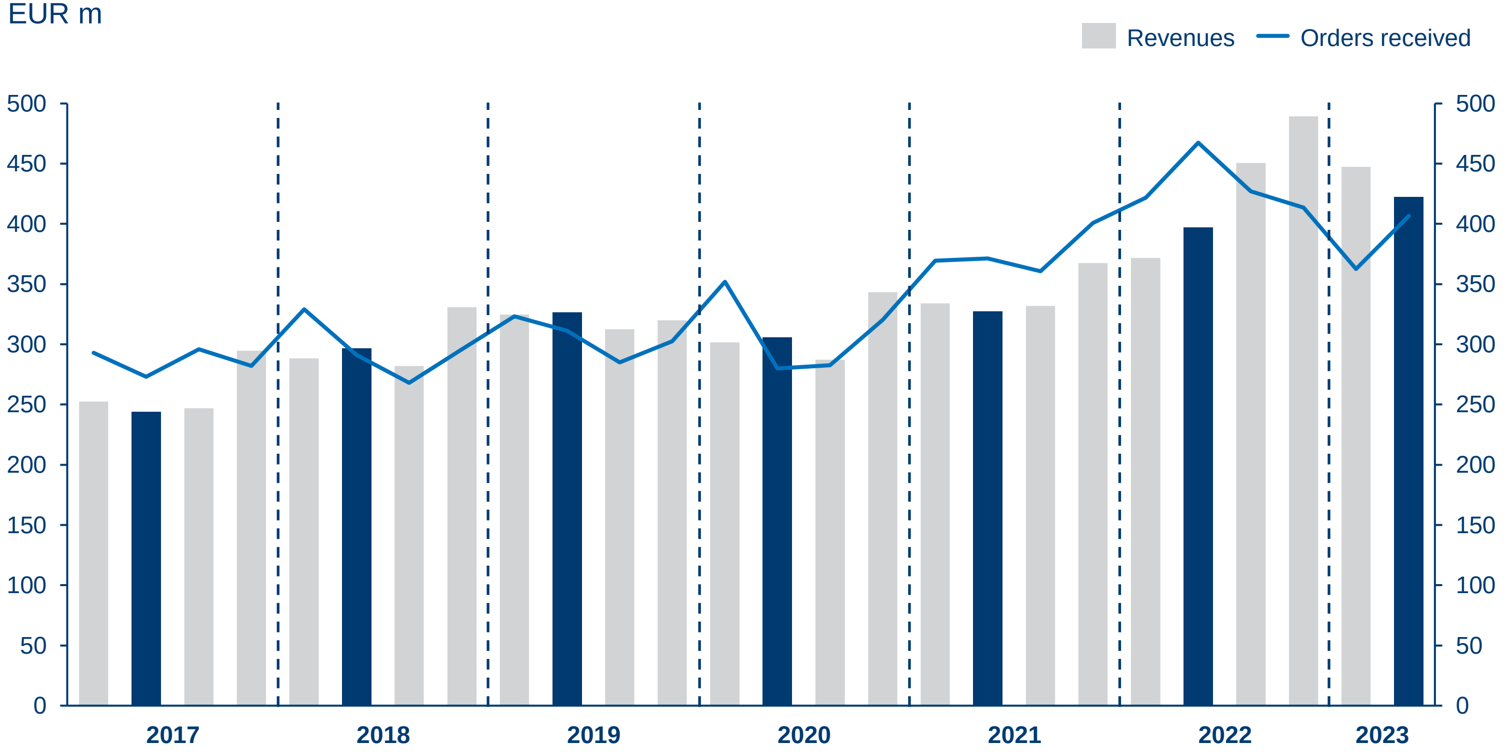
Stacey Katz
Chief Financial Officer

Orders received improving to EUR 407 million

Pipeline is strong and conversion to orders expected to continue to pick up in the coming quarters

- Orders received in 2Q23 improving to EUR 406.5m, up 12.1% QoQ (1Q23: 362.6m) and down 13.8% YoY, compared to the record 2Q22 of 471.8m
- Order growth from low level in 1Q23 with pipeline strengthening, especially in poultry and pet food, although market conditions and higher interest rates continues to create uncertainty in timing of conversion of pipeline into orders
- Large projects secured in 2Q23 include the first full-line beef processing facility in Mexico and a large order in plant-based protein solutions in the US, focused on textured vegetable protein with a leading producer and supplier of specialty plant-based oils, fats and protein
- Revenues contracting to EUR 422.4m in the quarter, down 5.6% QoQ due to softer project orders received in past quarters, and up 6.3% YoY (1Q23: 447.4m, 2Q22: 397.3m)
- Aftermarket revenues, comprised of recurring services and spare parts, were EUR 198.0m in 2Q23, up 22% YoY
- Order book of EUR 574.5m, representing 31.7% of trailing twelve months (TTM) revenues and a book-to-bill ratio of 0.96 in 2Q23 (1Q23: 0.81, 2Q22: 1.19)

Revenues and order evolution
EUR m

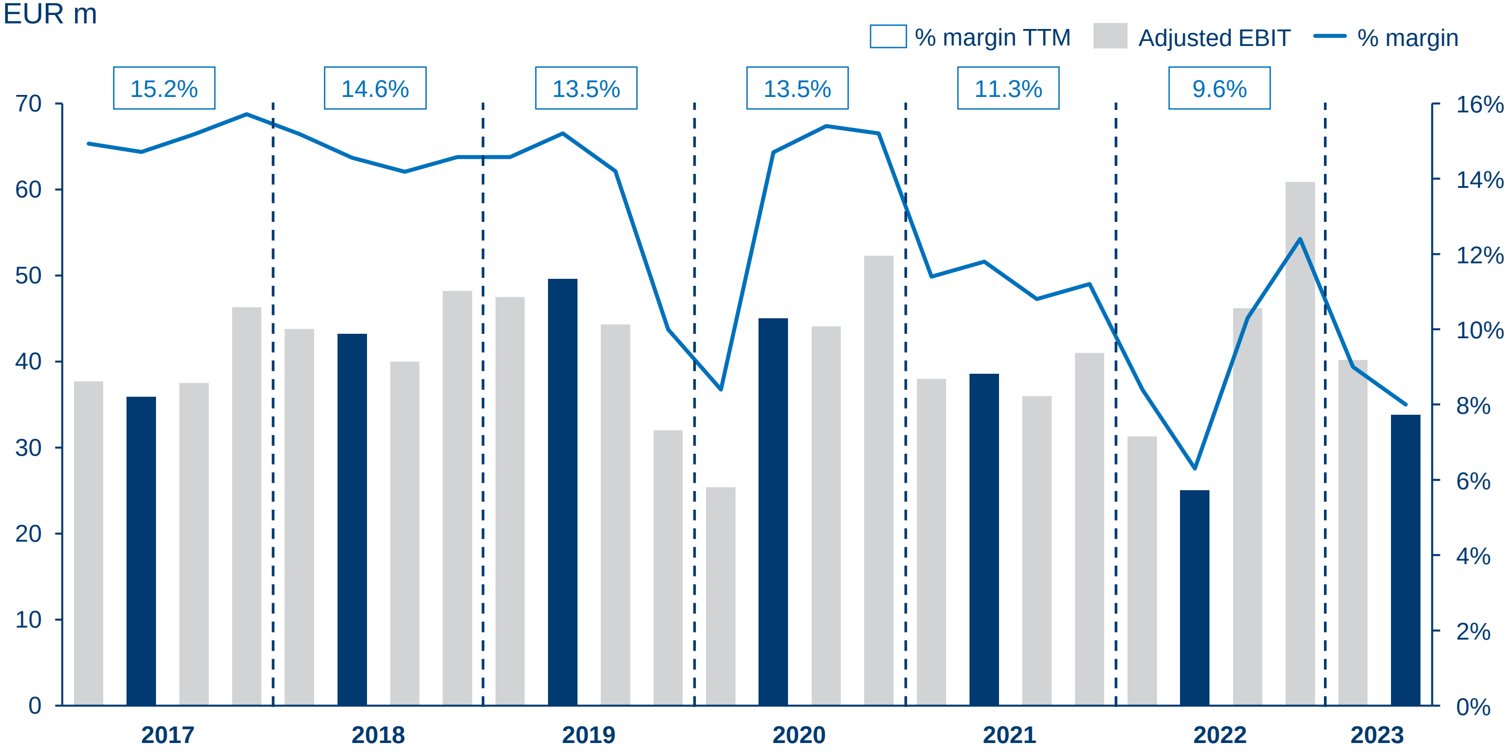


EBIT 33.8 million, 8% of revenues

Operational results colored by softer orders received of larger projects in past quarters

- Gross profit margin at 35.1% in the quarter (1Q23: 36.0%, 2Q22: 33.5%), was lower QoQ due to lower project revenues, partially offset by higher aftermarket revenues
- OPEX was 27.1% (1Q23: 27.0%, 2Q22: 27.2%), against a target of 24% consisting of SG&A of ~18% and innovation of ~6%
  - S&M 13.4% of revenues in 2Q23 (1Q23: 13.4%, 2Q22: 13.9%), and down in absolute terms QoQ
  - G&A 7.5% of revenues in the quarter (1Q23: 7.8%, 2Q22: 7.5%) and down in absolute terms QoQ
  - R&D 6.3% in the quarter (1Q23: 5.8%, 2Q22: 5.8%), stable in absolute terms QoQ
- EBIT[1] was EUR 33.8m (1Q23: 40.2m, 2Q22: 25.0m), translating to an EBIT margin of 8.0% (1Q23: 9.0%, 2Q22: 6.3%), driven by lower project revenues and cost coverage, as well as product mix, expected to start to ramp up in 4Q23
- Management forecast indicates 12-14% EBIT in 4Q23, compared to the targeted 14-16% EBIT, focus on delivering healthy growth and margin enhancement to reach a sustainable 14-16% EBIT level in the course of 2024
- Right sizing actions across divisions and functions executed in 2Q23 resulted in EUR 3.9m in one-off severance costs accounted and adjusted for in the quarter

Adjusted EBIT evolution[1]
EUR m



Notes: [1] Operating income adjusted for PPA related costs, including depreciation and amortization, and acquisition related expenses as of Q4 2020. In Q3 2022, Q4 2022 and Q2 2023, operating income is adjusted for restructuring costs.

Harvesting transformative investments

After a period of elevated investments, lower CAPEX planned for 2H23

- Cash capital expenditures excluding R&D investments will be on average 4-5% of revenues in 2021-2026, thereafter returning back to normalized levels
- Objective is to automate and digitize the manufacturing platform, supply chain and aftermarket to shorten lead times and support the 2026 target of 50% of revenues coming from service and software
- Investments in past quarters were instrumental to secure business and aftermarket growth. Focus in coming quarters on reaping benefits from investments and ensuring the full focus of our team on customer centricity to convert the pipeline into orders

~80% of CAPEX in 1H23 in two milestone projects

Transforming end-to-end spare parts journey to shorten lead times

Global Distribution Center in Eindhoven, Netherlands

- In September 2022, construction begun on a new 15,000 m^2 global distribution center in Eindhoven, Netherlands, a highly automated, green building that is strategically located near Marel's main logistics service providers
- Handover from contractor in June 2023, automated pallet racking system and offices being installed, IT and data systems in development
- Will become operational in 2024 and will shorten lead times to customers, improve flow and flex, scale and operational efficiency


Boxmeer, Netherlands


Eindhoven, Netherlands

Automating and digitizing manufacturing for better flow and flex

Expansion in Boxmeer, Netherlands

- New warehouse for manufactured parts became operational in April to automate and improve flow and flexibility in our main poultry facility in Boxmeer, supported by investments in robotics and automation solutions, ramp up in efficiency expected in coming quarter
- Have as well relocated meat operations from Boxmeer to consolidate the meat platform in Lichtenvoorde and ensure poultry platform has room for further growth

After a period of elevated investments, CAPEX planned to be at normalized levels of 2-3% of revenues in 2H23

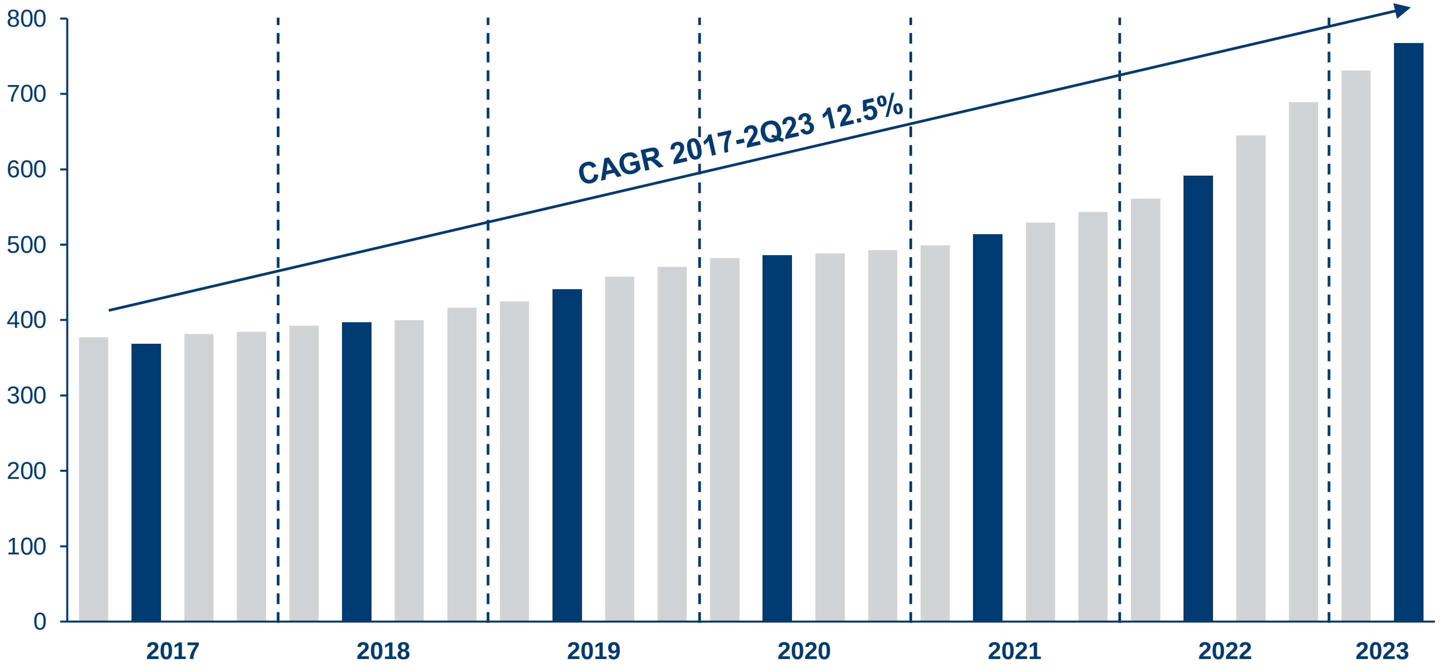
Aftermarket revenues of EUR 767 million TTM

Accelerated growth in aftermarket in line with 2026 target of 50% of revenues from service and software in 2026

- Aftermarket growth reflects Marel's strong market position and reputation as a trusted maintenance partner
- Recurring aftermarket revenues were EUR 198.0m in the quarter, up 22% since 2Q22, and have increased for thirteen consecutive quarters
- On a trailing twelve months (TTM) basis, aftermarket revenues were EUR 767.0m
- CAGR growth in aftermarket revenues TTM was 12.5% from 2017-2Q23
- Underpins Marel's commitment to investments to automate and digitize the manufacturing platform, supply chain and aftermarket to shorten lead times and support the 2026 target of 50% of revenues coming from service and software
- Ongoing journey to improve flow and flexibility, e.g. splitting up warehouses and opening up dedicated spare parts distribution centers to separate spare part handling from manufacturing
- Transformative infrastructure investments in the Global Distribution Center in Eindhoven, Netherlands, and Regional Distribution Center in Buford, Georgia, USA

Aftermarket revenues

Trailing twelve months (TTM), EUR m



Financial performance

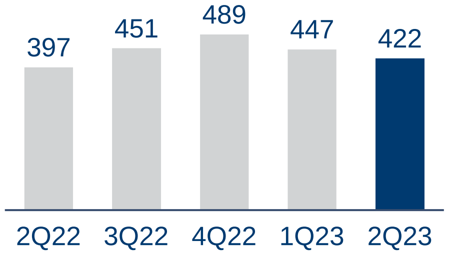
Stacey Katz
Chief Financial Officer

Financial highlights

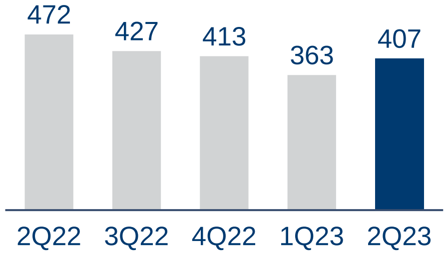
Operational performance impacted by lower project orders in past quarters, product mix and cost inflation

- Revenues contracting QoQ to EUR 422.4m due to softer project orders received in past quarters
- Orders received improving QoQ to EUR 407m, pipeline is strong and conversion to orders expected to continue to pick up in coming quarters
- EBIT[1] of 8.0% on the back of softer project orders in past quarters, expected to pick up coming quarters with improved market outlook, optimization efforts and easing in supply chain
- Signs of higher cost levels moderating, such as logistics and materials, though will take time to filter through, parts availability issues are improving albeit wage inflation remains a considerable factor
- Free cash flow of EUR -6.1m, impacted by elevated investments and higher taxes paid
- Leverage stable QoQ despite dividend payment of EUR 11.7m and acquisition of E+V of EUR 8.0m, temporarily above targeted range of 2-3x following the acquisition of Wenger in 2Q22, with aim to be within the targeted range in early 2024

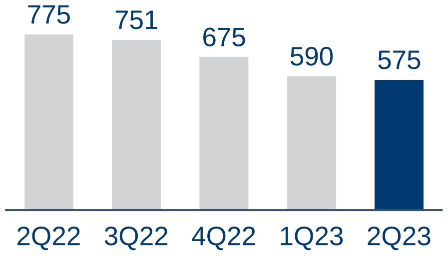
Revenues
EUR m



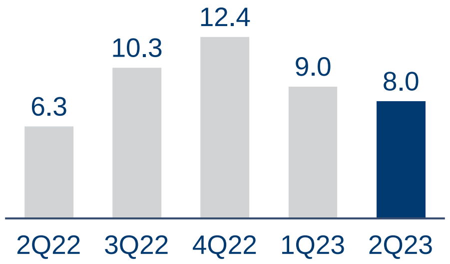
Orders received
EUR m



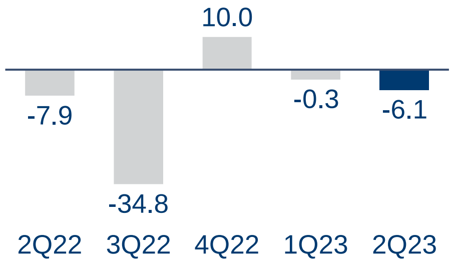
Order book[2]
EUR m



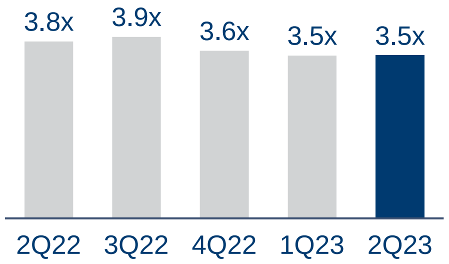
EBIT[1] margin
%



Free cash flow[3]
EUR m



Leverage[4]
Net debt/EBITDA



Notes: [1] Operating income adjusted for PPA related costs, including depreciation and amortization, and acquisition related expenses. In Q3 2022, Q4 2022 and Q2 2023, operating income is adjusted for restructuring costs. [2] Including acquired order book of EUR 81m from Wenger and Sleegers in 2Q22. [3] Free cash flow defined as cash generated from operating activities less taxes paid and net investments in PP&E and intangible assets. [4] Net debt (including lease liabilities) / Pro forma LTM adjusted EBITDA including recent acquisitions.

The road to 14-16% EBIT

Transformative investments and firm actions to strengthen Marel to support growth and return to best-in-class profitability, management forecast indicates an EBIT of 12-14% in fourth quarter and a sustainable 14-16% EBIT level in the course of 2024

#1 Gross profit margin improvement

Actions in execution to expand gross profit include:

- Continued price/cost discipline
- Higher mix of standard equipment
- Growing aftermarket revenues by further installed base penetration
- Balancing load based on order book level by reducing flexible layer in supply chain and engineering
- Improved portfolio and product lifecycle management
- Footprint optimization

#2 OPEX improvement

Actions in execution to reduce OPEX include:

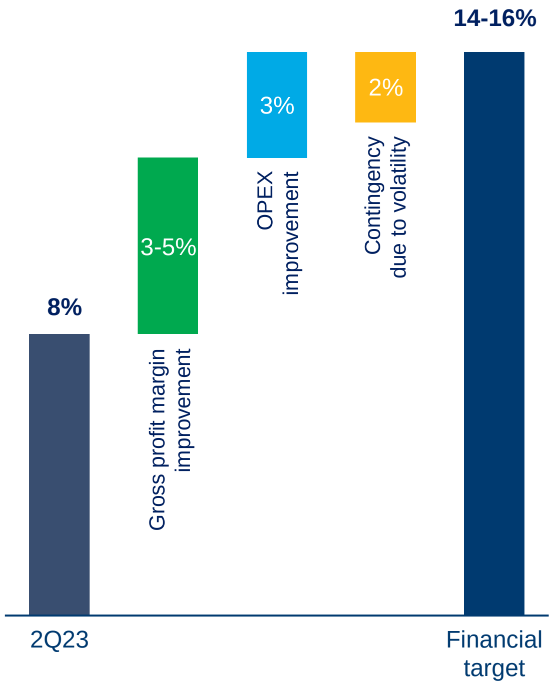
- Clear prioritization and execution of internal improvement projects to ensure focus
- Reaping the benefits of prior investment in digitalization, resulting in reduction of headcount
- Stronger cost management of consultancy, travel, and marketing activities in line with new ways of working accelerated by the pandemic

#3 Further actions

Further actions to be realized include:

- Streamlining the backend in terms of location footprint and warehouses
- Procurement savings as a result of ongoing negotiation campaigns

EBIT[1] bridge to financial target
%

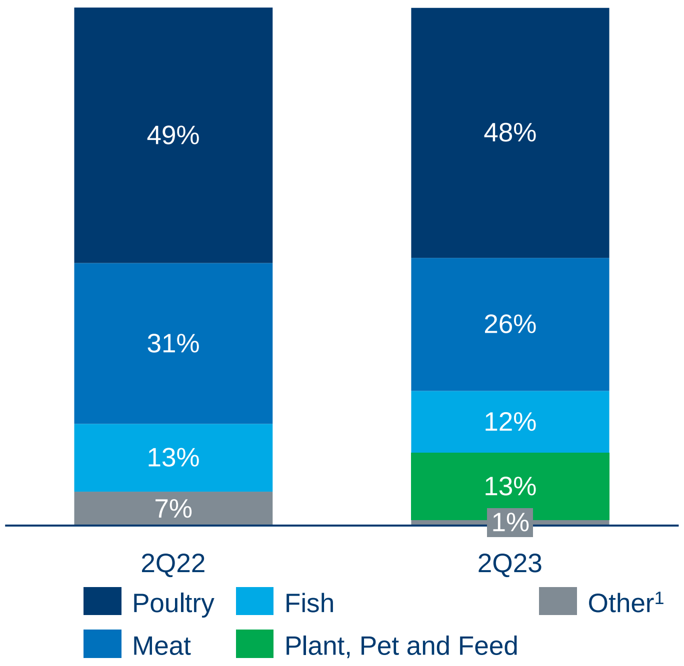


Notes: [1] Operating income adjusted for PPA related costs, including depreciation and amortization, and acquisition related expenses. In Q3 2022, Q4 2022 and Q2 2023, operating income is adjusted for restructuring costs.

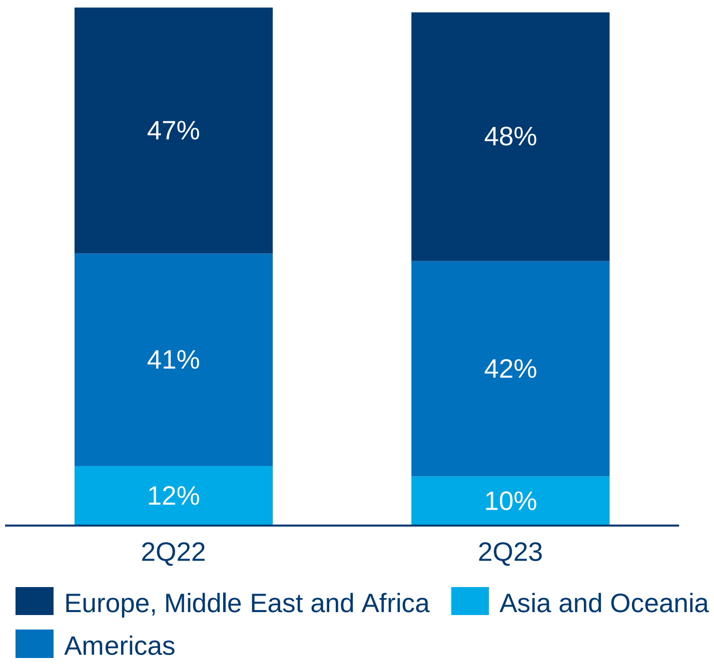
Diversified revenue base

Well diversified revenue structure across business segments, geographies and business mix

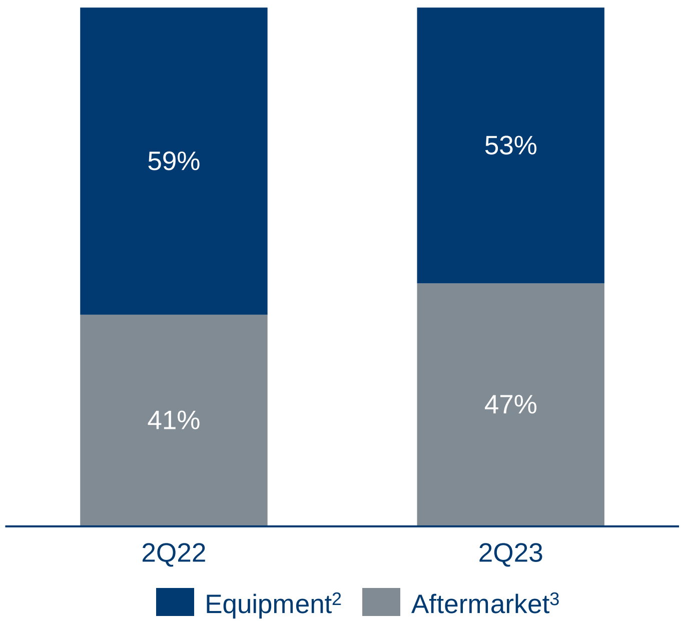
Revenues by segments
%



Revenues by geography
%



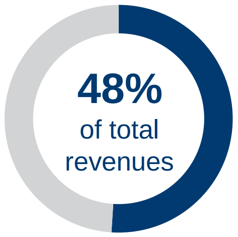
Revenues by business mix
%



Notes: [1] Revenues from Wenger were allocated to the Other segment as of closing 9 June 2022 until end of Q2 2022. As of Q3 2022, Wenger became part of segment reporting alongside the poultry, meat and fish business segments, under the name ‘Plant, Pet and Feed’. [2] Equipment revenues are comprised of revenues from greenfield and large projects, standard equipment and modernization equipment, and related installations. [3] Aftermarket revenues are comprised of revenues from services and spare parts.

Poultry

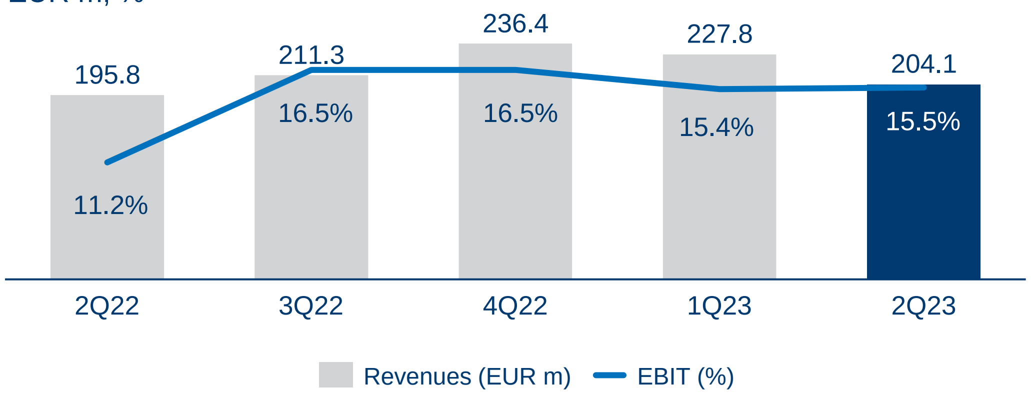
Resilience in operational results despite lower revenues due to timing of conversion of pipeline into orders received, pipeline is strengthening and outlook is promising



Revenues
EUR 204.1m
+4.2% YoY

EBIT[1]
EUR 31.6m
15.5% of revenues

Revenues and EBIT[1]
EUR m, %



Orders received for Marel Poultry improving QoQ while still at a low level due to larger projects shifting between quarters. Economic and geopolitical uncertainty as well as unfavorable development in input costs and prices for poultry processors continues to impact the timing of customer investment decisions and financially securing orders. Projects secured from the US, Eastern Europe, the Middle East and China in the quarter.

Outlook is promising where large projects are moving higher up in the pipeline in terms of probability. Industry consolidation enables further investment in automated and digitized processing capabilities optimized for more processing power and sustainability.

Revenues in 2Q23 for Marel Poultry were EUR 204.1m, down 10.4% QoQ due to lower project revenues, however up 4.2% YoY (1Q23: 227.8m, 2Q22: 195.8m). Continued momentum in aftermarket with growth in spare parts and Service Level Agreements (SLAs). New warehouse for manufactured parts became operational in April to automate and improve flow and flexibility in our main poultry facility in Boxmeer. Ramp up in efficiency expected in coming quarter.

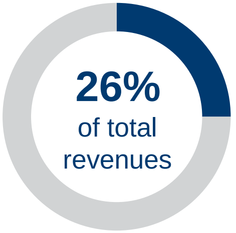
***EBIT[1]* margin** in the quarter was 15.5% (1Q23: 15.4%, 2Q22: 11.2%) and driven by higher share of aftermarket revenues and strong cost management in line with lower project volume.

Management targets short-term EBIT margin expansion for the Poultry segment. Marel Poultry's competitive position and pipeline remains strong. Based on the large installed base in the poultry industry, there are further growth opportunities for aftermarket services and SLA sales.

Notes: All financial numbers relate to the Condensed Consolidated Interim Financial Statements Q2 2023. [1] Operating income adjusted for PPA related costs, including depreciation and amortization, and acquisition related expenses. In Q3 2022, Q4 2022 and Q2 2023, operating income is adjusted for restructuring costs.

Meat

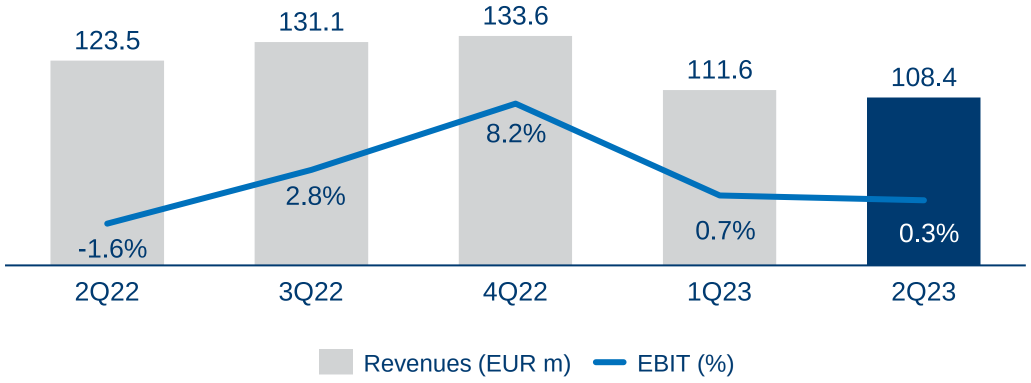
Solid quarter in orders received despite challenging market conditions, timing of pipeline conversion remains uncertain, actions enacted to right size in line with demand



Revenues
EUR 108.4m
-12.2% YoY

EBIT[1]
EUR 0.3m
0.3% of revenues

Revenues and EBIT[1]
EUR m, %



Orders received for Marel Meat in the quarter were solid and significantly higher than the low level in 1Q23, driven by large projects in North and Latin America, e.g. Loneg greenfield in both primary and secondary processing in Mexico. Pipeline is stronger in North America while weaker in Europe, especially in primary processing. High inflation and focus on sustainability is shifting consumer preferences to more affordable proteins, though beef has been more resilient than pork. With the continued challenging market conditions in the meat industry, outlook remains uncertain.

In July, Marel signed a long-term strategic partnership with Muyuan, the world's largest pig breeder, to accelerate the transformation of China's pork industry. This includes investing further in primary processing and expanding secondary processing focusing on retail-ready products fitting local consumer preferences across China. From 2020 to early 2022, Marel delivered 11 state-of-the art greenfield projects to Muyuan, replicated across multiple locations.

Revenues in 2Q23 for Marel Meat at EUR 108.4m, down 2.9% QoQ and down 12.2% YoY (1Q23: 111.6m, 2Q22: 123.5m), due to lower volumes across both projects and standard equipment. Aftermarket showing resilience with strong spare parts sales in North and Latin America and rising revenues from Service Level Agreements in Europe.

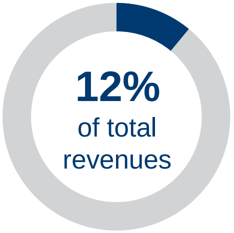
***EBIT[1]* margin** in 2Q23 of 0.3% (1Q23: 0.7%, 2Q22: -1.6%) impacted by the soft order book and low project revenues.

Management continues to target EBIT margin expansion for Marel Meat, with more volume needed to cover the cost base and improve profitability. Mitigating actions are focused on right sizing Marel Meat's resources, locations and portfolio in line with the order book and outlook.

Notes: All financial numbers relate to the Condensed Consolidated Interim Financial Statements Q2 2023. [1] Operating income adjusted for PPA related costs, including depreciation and amortization, and acquisition related expenses. In Q3 2022, Q4 2022 and Q2 2023, operating income is adjusted for restructuring costs.

Fish

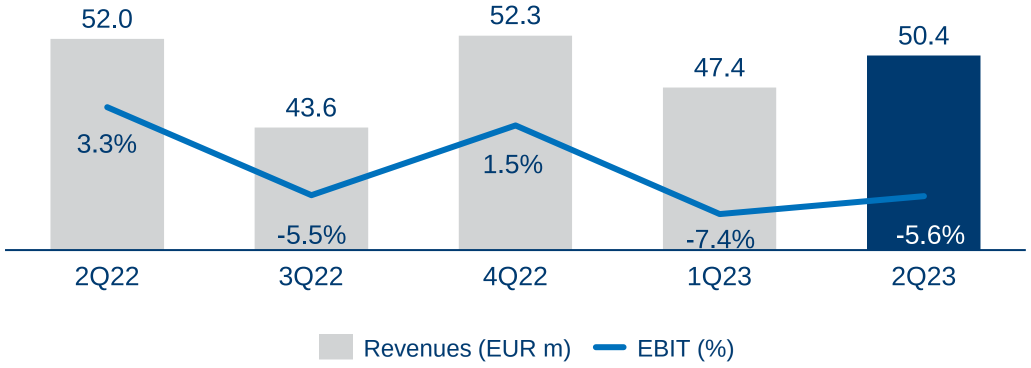
Soft orders received in the quarter, profitability negatively impacted by mix and acquisitions, right sizing actions expected to result in EBIT improvement



Revenues
EUR 50.4m
-3.1% YoY

EBIT[1]
EUR -2.8m
-5.6% of revenues

Revenues and EBIT[1]
EUR m, %



Orders received for Marel Fish in the quarter were soft compared to a strong 1Q23. Demand in the value chain is impacted by consumers' shift to cheaper proteins in the current market environment, as well demand for salmon-related solutions across Norway and other regions is still impacted by tax changes in Norway. Tax rate now confirmed at lower level than initially proposed and limited to sea water phase of net-pen farming.

Outlook for orders received is positive with solid pipeline in Europe. Indications of a recovery in orders received compared to 2Q23. Marel was prominent at the Seafood Processing Global exhibition in Barcelona in April, one of the key trade shows for fish processing, demonstrating our latest innovative technology to processors from across the world.

Revenues in 2Q23 for Marel Fish were EUR 50.4m, up 6.3% QoQ and down 3.1% YoY (1Q23: 47.4m, 2Q22: 52.0m) driven by good project revenues and order book.

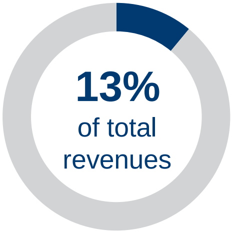
***EBIT[1]* margin** in 2Q23 was -5.6% (1Q23: -7.4%, 2Q22: 3.3%) and below expectations. Results impacted by low margin projects from acquisitions being finalized and high one-off expenses. Right sizing actions around lowering operational costs and optimizing manufacturing footprint executed in the quarter.

Management continues to target short-term EBIT margin expansion for the Fish segment, based on right sizing actions already enacted and continued focus on operational efficiency.

Notes: All financial numbers relate to the Condensed Consolidated Interim Financial Statements Q2 2023. [1] Operating income adjusted for PPA related costs, including depreciation and amortization, and acquisition related expenses. In Q3 2022, Q4 2022 and Q2 2023, operating income is adjusted for restructuring costs.

Plant, Pet and Feed

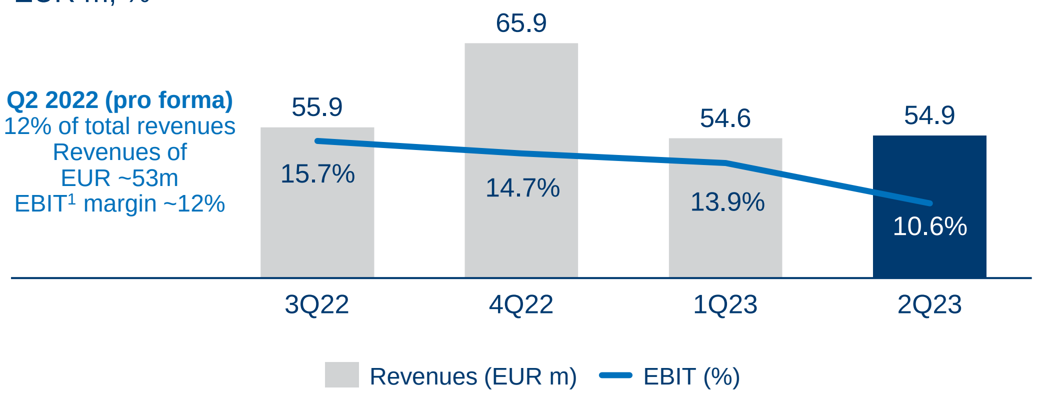
Strong orders received in 2Q23, outlook and pipeline remains solid, operational performance soft due to mix in the quarter, FY23 expectation of historical 14-15% EBIT



Revenues
EUR 54.9m

EBIT[1]
EUR 5.8m
10.6% of revenues

Revenues and EBIT[1]
EUR m, %



Orders received for Marel Plant, Pet and Feed (PPF) were strong in 2Q23 driven by a large order in plant-based protein solutions in the US, focused on textured vegetable protein with a leading producer and supplier of specialty plant-based oils, fats and protein that are high in nutrition and produced in a sustainable way.

Wenger has a strong foothold in the North and Latin American market and strong recurring revenues from aftermarket services. Management is targeting to leverage on Marel's global reach to expand market presence for PPF outside the Americas and further cross- and upsell Marel's complementary product offering into the target segments of plant, pet and feed.

Outlook and pipeline remains solid in pet food while softer in plant-based solutions and aqua feed.

Revenues in 2Q23 were EUR 54.9m, flat QoQ, (1Q23: 54.6m, pro forma 2Q22: ~53m) in line with expectations. Good customer deliveries as parts availability is improving.

EBIT[1] margin in 2Q23 of 10.6% (1Q23: 13.9%, pro forma 2Q22: ~12%). EBIT soft in the quarter, impacted by product mix which is expected to improve in 2H23.

Management is targeting short-term EBIT margin expansion for the Plant, Pet and Feed segment and expects operational performance for the FY23 to be in line with historical performance of 14-15% EBIT.

Notes: All financial numbers relate to the Condensed Consolidated Interim Financial Statements Q2 2023. [1] Operating income adjusted for PPA related costs, including depreciation and amortization, and acquisition related expenses. In Q3 2022, Q4 2022 and Q2 2023, operating income is adjusted for restructuring costs.

Income statement

Revenues in Q2 2023 were EUR 422m, gross profit was EUR 148m or 35.1% of revenues, and the adjusted EBIT was EUR 34m or 8.0%

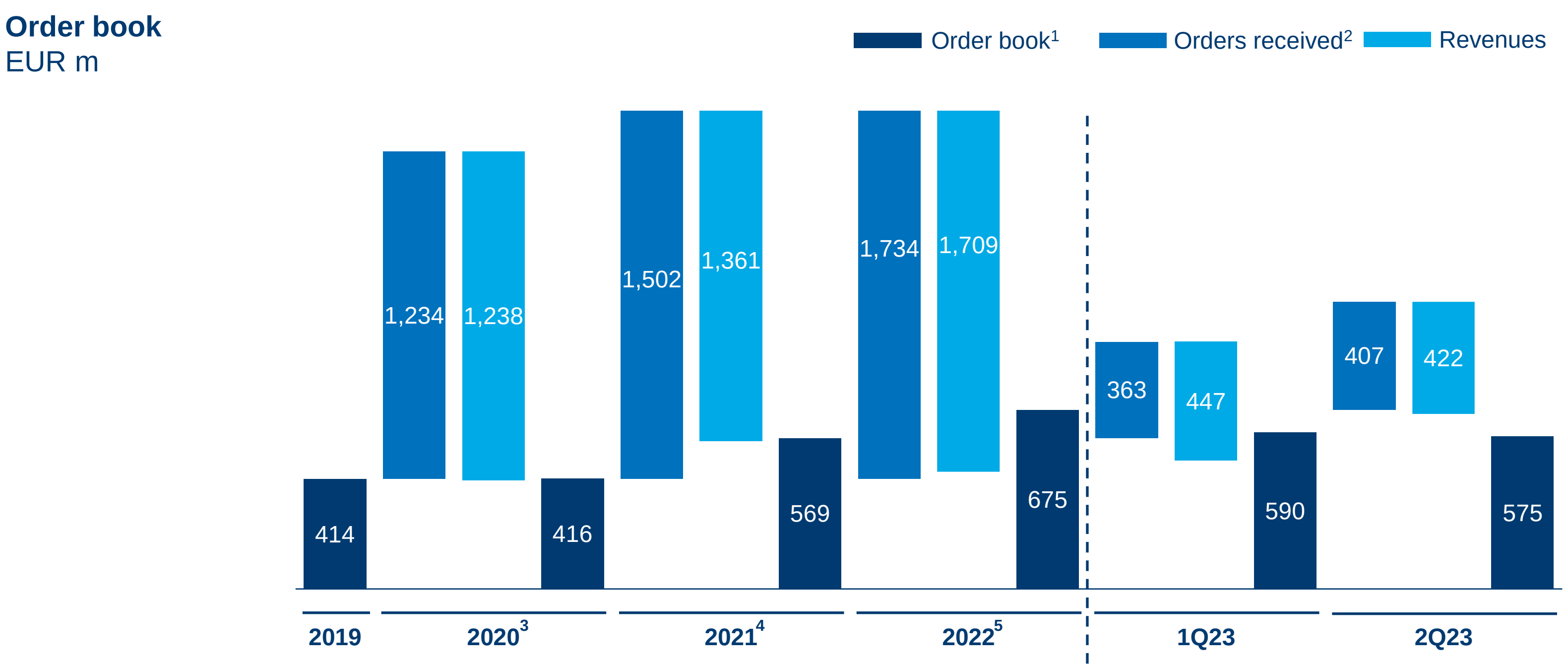
In EUR million	Q2 2023	Of Revenues	Q2 2022	Of Revenues	Change
Revenues	422.4		397.3		+6.3%
Cost of sales	(274.2)		(264.2)		+3.8%
Gross profit	**148.2**	**35.1%**	**133.1**	**33.5%**	**+11.3%**
Selling and marketing expenses	(56.4)	13.4%	(55.3)	13.9%	+2.0%
General and administrative expenses	(31.5)	7.5%	(29.7)	7.5%	+6.1%
Research and development expenses	(26.5)	6.3%	(23.1)	5.8%	+14.7%
Adjusted result from operations[1]	**33.8**	**8.0%**	**25.0**	**6.3%**	**+35.2%**
Non-IFRS adjustments	(16.7)		(10.2)		+63.7%
Result from operations	**17.1**	**4.0%**	**14.8**	**3.7%**	**+15.5%**
Net finance costs	(11.7)		(1.9)		+515.8%
Share of result of associates	(0.2)		(0.8)		-75.0%
Result before income tax	**5.2**		**12.1**		**-57.0%**
Income tax	(2.1)		(2.5)		-16.0%
Net result	**3.1**	**0.7%**	**9.6**	**2.4%**	**-67.7%**

Notes: 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 acquisition related expenses. In Q3 2022, Q4 2022 and Q2 2023, operating income is adjusted for restructuring costs.

Order book

Order book of EUR 575m, representing 32% of trailing twelve months (TTM) revenues

- Order book was EUR 574.5m, down 2.7% sequentially QoQ (1Q23: 590.4m) and down 25.8% from the record EUR 774.5m at quarter-end 2Q22
- Order book consists of orders that have been signed and financially secured with down payments/letters of credit
- Order book at quarter end represents 31.7% of trailing twelve months (TTM) revenues and the book-to-bill ratio in the quarter was 0.96 (1Q23: 0.81, 2Q22: 1.19) and 0.88 in the first half of 2023 (1H22: 1.16)
- Pipeline is strong and conversion to orders expected to continue to pick up in coming quarters
- Vast majority of the order book are greenfield and projects, while spare parts and standard equipment run faster through the system
- Low customer concentration with no customer accounting for more than 5% of total annual revenues



	2019	2020	2021	2022	1Q23	2Q23
Order book % TTM revenues	32%	34%	42%	40%	33%	32%
Book-to-bill ratio	0.95	1.00	1.10	1.01	0.81	0.96

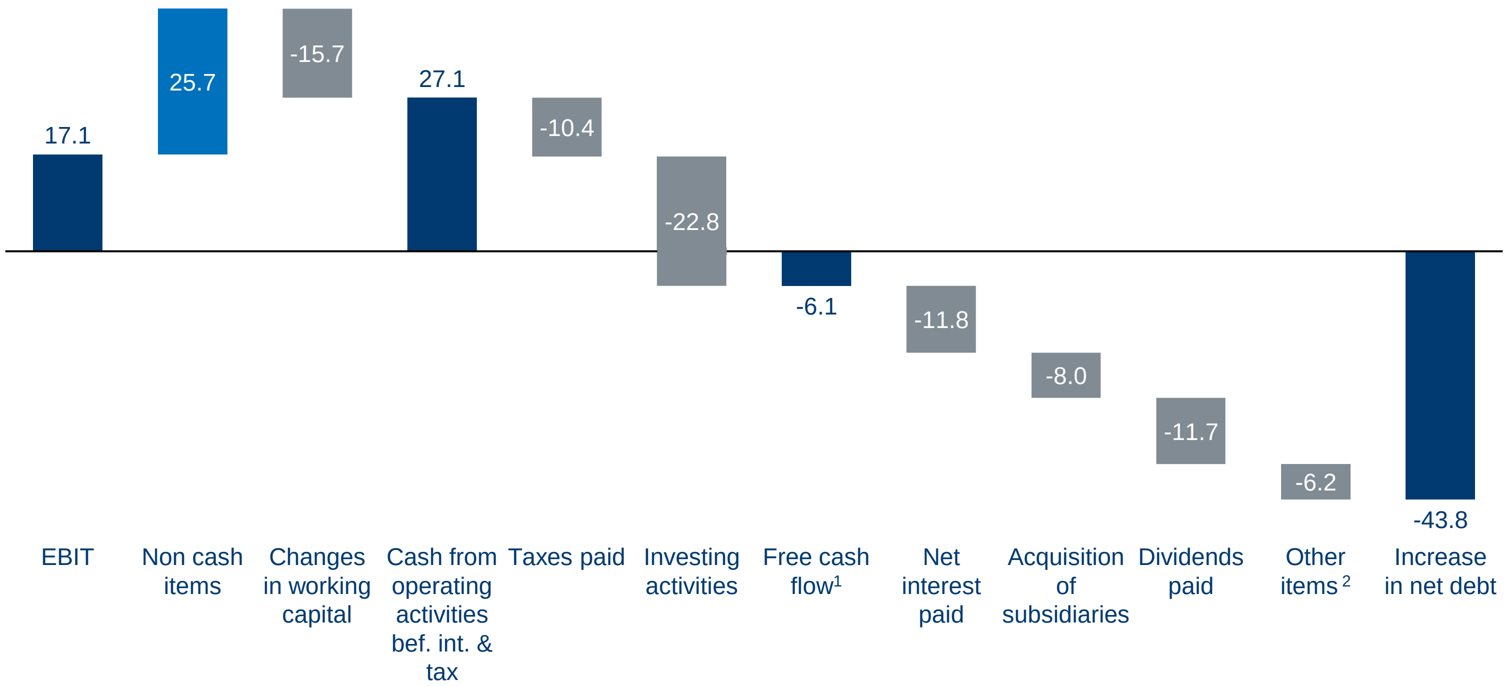
Notes: [1] The order book reflects Marel's estimates, as of the relevant order book date, of potential future revenues to be derived from contracts for equipment, software, service and spare parts which have been financially secured through down payments and/or letters of credit in line with the relevant 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 TREIF of EUR 5m. [4] Including acquired order book of Curio, PMJ and Valka of EUR 12m. [5] Including acquired order book of Wenger and Sleegers of EUR 81m.

Cash flow bridge

Cash flow below historical levels, impacted by higher financing costs and tax payments as well as elevated investments

- Operating cash flow was EUR 27.1m in the quarter (1Q23: 34.3m, 2Q22: 18.4m), impacted by timing of payables, good collections, and book-to-bill of 0.96
- Cash CAPEX excluding R&D investments in 2Q23 were EUR 15.4m (1Q23: 19.6m, 2Q22: 14.2m) or 3.6% of revenues
- After a period of elevated investments to secure business and aftermarket growth, CAPEX to be at normalized levels of 2-3% in 2H23
- Free cash flow was EUR -6.1m in 2Q23 (1Q23: -0.3m, 2Q22: -7.9m), impacted by elevated investments and higher taxes paid
- Free cash flow in the coming quarters is expected to improve with customer down payments, improved working capital and lower capital expenditures in the second half of the year moving towards targeted capital structure
- Marel's strong cash flow model remains unchanged, aim to increase towards historical cash conversion levels by year-end 2023
- On 4 April, Marel announced an asset purchase agreement of EUR 8.0m to acquire 100% of operating assets related to E+V, a global provider of advanced vision systems for the meat and poultry industries
- Based on Marel's 2023 AGM, a dividend of EUR 11.7m was fully paid out to shareholders in April, for 2022

Cash flow
EUR m



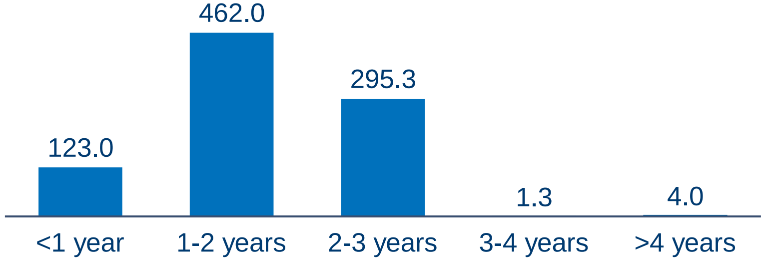
Notes: [1] Free cash flow defined as cash generated from operating activities less taxes paid and net investments in PP&E and intangible assets. [2] Currency effect, change in capitalized finance charges and movement in lease liabilities.

Financing

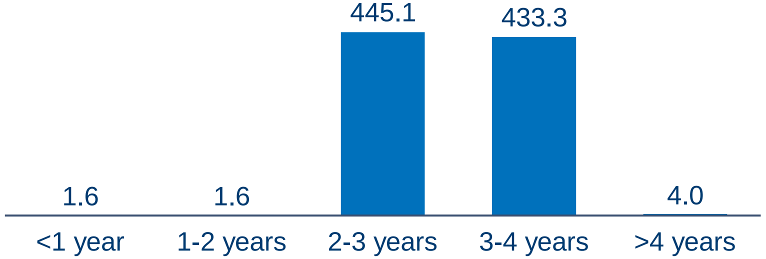
Extension to EUR 700 million financing secured and new EUR 150 million term loan signed on 17 July 2023

- The new term loan of EUR 150m, together with the longer maturity profile of the revolving facility, creates headroom for Marel to repay upcoming maturities, e.g. the Schuldschein notes, and provides increased operational and strategic flexibility in the current financial environment
- The two-year extension to the EUR 700m sustainability-linked revolving credit facility was signed in July
- The term for the credit facility was for five years maturing in 2025, with two one-year extension options. These options have now been utilized, extending the credit facility by two years with final maturity in February 2027.
- The new EUR 150m term loan was signed with Marel‘s long standing banking partners, i.e. ABN AMRO, BNP Paribas, Danske Bank, HSBC, ING, and Rabobank, and with same margins and maturity as the USD 300m term loan previously announced in November 2022
- The maturity of the new term loan is November 2025, with two one-year extension options, subject to lenders approval
- The new term loan is not expected to impact leverage ratio or net debt

Maturity profile end of 30 June 2023[1]
EUR m

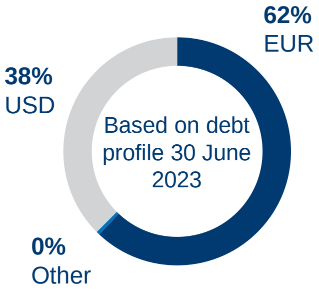


New maturity profile[1]
EUR m



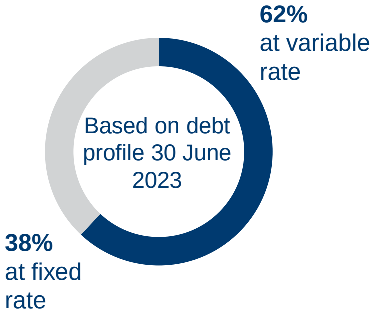
Currency split end of 30 June 2023

- Currency split in borrowings closely matches Marel's revenue profile



Fixed-floating profile (excluding leases)

- Aim to have 50–70% of core debt fixed for 3-5 years
- Currently 54% of core debt is fixed, where core debt is comprised of: USD term loan, Schuldschein and EUR 200m of revolver



Notes: [1] Excluding capitalized finance charges and lease liabilities. Indicative new maturity profile assumes new loan is drawn for repayment of upcoming maturities in December, e.g. Schuldschein.

Balance sheet: Assets

Condensed Consolidated Interim Financial Statements Q2 2023

- PP&E increased by EUR 17.0m since YE22 and EUR 7.1m between quarters, mainly related to investments in infrastructure, such as global distribution center in Eindhoven, Netherlands and new warehouse for manufactured parts in Boxmeer, that became operational in April
- Inventories decreased by EUR 14.0m since YE22 and EUR 7.5m between quarters due to ongoing actions to rebalance inventories and amortization of inventory uplift for Wenger, which is now fully amortized
- Trade receivables decreased by EUR 6.2m since YE22 and EUR 19.6m QoQ due to good collections

Assets

In EUR million	30/06 2023	31/12 2022	Change
Property, plant and equipment	344.1	327.1	+5.2%
Right of use assets	40.6	39.8	+2.0%
Goodwill	861.5	859.2	+0.3%
Intangible assets	558.3	562.3	-0.7%
Investments in associates	3.6	4.0	-10.0%
Other non-current financial assets	3.6	3.7	-2.7%
Derivative financial instruments	5.2	1.5	+246.7%
Deferred income tax assets	34.0	31.6	+7.6%
Non-current assets	**1,850.9**	**1,829.2**	**+1.2%**
Inventories	389.6	403.6	-3.5%
Contract assets	66.1	65.8	+0.5%
Trade receivables	212.1	218.3	-2.8%
Derivative financial instruments	0.5	1.8	-72.2%
Current income tax receivables	7.1	3.0	+136.7%
Other receivables and prepayments	101.3	99.0	+2.3%
Cash and cash equivalents	50.5	75.7	-33.3%
Current assets	**827.2**	**867.2**	**-4.6%**
Total assets	**2,678.1**	**2,696.4**	**-0.7%**

Balance sheet: Equity and liabilities

Condensed Consolidated Interim Financial Statements Q2 2023

- Borrowings increased by EUR 32.2m since YE22, thereof EUR 28.5m between quarters, mainly due to dividend payment of EUR 11.7m and acquisition of E+V of EUR 8.0m
- The new term loan of EUR 150m, together with the longer maturity profile of the revolving facility, creates headroom for Marel to repay upcoming maturities, e.g. the Schuldschein notes
- Contract liabilities decreased by EUR 35.4m since YE22, thereof EUR 27.5m between quarters, with the book-to-bill of 0.96 in 2Q23 and 0.88 in 1H23
- Trade and other payables decreased by EUR 5.1m since YE22 though EUR 39.2m in 2Q23 with EUR 11.7m due to dividend payment paid in April and timing of payments
- Leverage at 3.5x (1Q23: 3.5x, 2Q22: 3.8x), above targeted range of 2-3x following the acquisition of Wenger in 2Q22
- Management expects to continue to see positive movements towards the targeted 2-3x range in early 2024

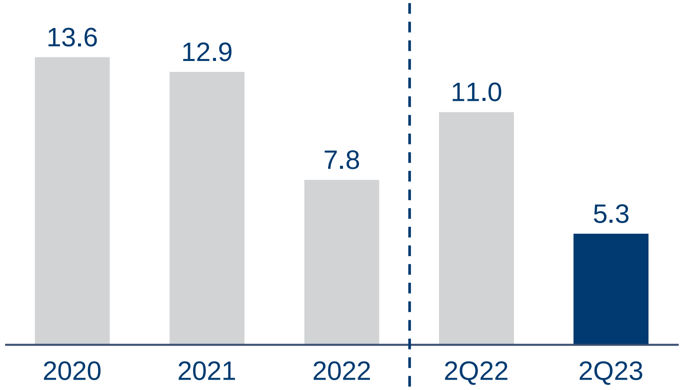
Equity & liabilities

In EUR million	30/06 2023	31/12 2022	Change
Group equity	**1,032.1**	**1,028.1**	**0.4%**
Borrowings	761.7	729.8	+4.4%
Lease liabilities	33.2	30.3	+9.6%
Deferred income tax liabilities	88.5	90.7	-2.4%
Provisions	6.0	6.9	-13.0%
Other payables	2.7	7.5	-64.0%
Non-current liabilities	**892.1**	**865.2**	**+3.1%**
Contract liabilities	288.9	324.3	-10.9%
Trade and other payables	311.7	316.8	-1.6%
Derivative financial instruments	1.0	3.5	-71.4%
Current income tax liabilities	9.1	14.2	-35.9%
Borrowings	121.8	121.5	+0.2%
Lease liabilities	9.2	10.8	-14.8%
Provisions	12.2	12.0	+1.7%
Current liabilities	**753.9**	**803.1**	**-6.1%**
Total liabilities	**1,646.0**	**1,668.3**	**-1.3%**
Total equity and liabilities	**2,678.1**	**2,696.4**	**-0.7%**

Key performance metrics

Management is committed to the financial targets to reach 14-16% EBIT, gross profit of 38-40% of revenues and OPEX of 24%

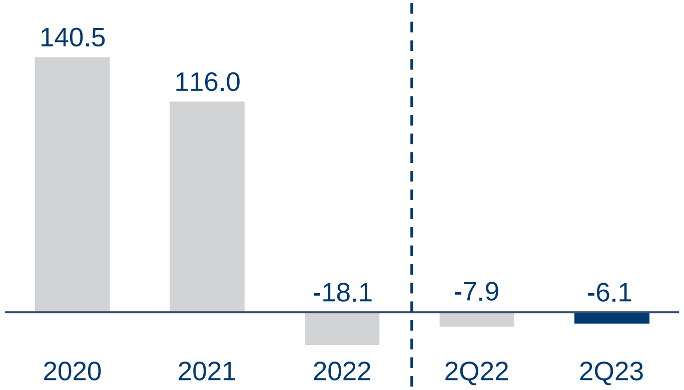
Earnings per share (EPS)
Trailing twelve months (TTM), euro cents



EPS expected to grow faster than revenues

- Focus on margin expansion and overall operational improvement and value creation, EPS TTM impacted by higher financing costs and one-offs, e.g. restructuring costs, Stranda Prolog insolvency, higher level of investments and Wenger PPA
- In line with Marel's dividend policy of 20-40% payout ratio, a 20% payout ratio was approved at the 2023 AGM and a payment of EUR 11.7m (EUR 1.56 cents per outstanding share) was paid out on 14 April

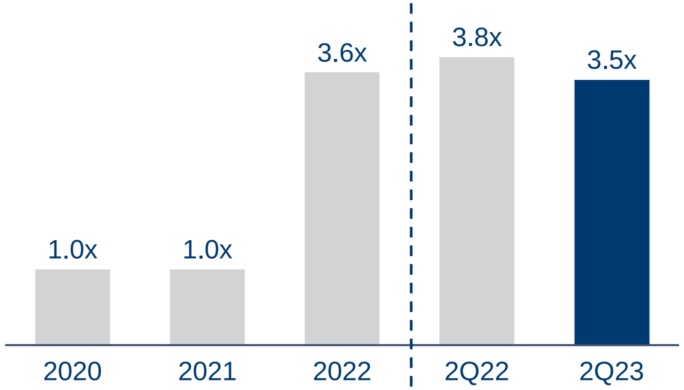
Free cash flow[1]
EUR m



Free cash flow below historical levels

- Free cash flow impacted by elevated investments and higher taxes paid
- Marel's strong cash flow model has enabled Marel to deleverage quickly after transformational acquisitions in the past, main drivers of deleveraging will be EBIT improvements and improvements in net working capital

Net debt / EBITDA[2]
Leverage (x)



Focus on deleveraging towards target of 2-3x

- Leverage was 3.5x, stable QoQ (1Q23: 3.5x, 2Q22: 3.8x) despite dividend payment of EUR 11.7m and acquisition of E+V of EUR 8.0m
- Temporarily above targeted range following the acquisition of Wenger in 2Q22. Objective to be within targeted range of 2-3x in early 2024
- Main drivers of deleveraging will be EBIT improvements and improvements in net working capital

Notes: [1] Free cash flow defined as cash generated from operating activities less taxes paid and net investments in PP&E and intangible assets. [2] Net debt (including lease liabilities) / Pro forma LTM adjusted EBITDA including recent acquisitions.

Business and outlook

Arni Oddur Thordarson
Chief Executive Officer

Muyuan strategic and innovation partnership

A long-term partnership with Muyuan, the world’s largest pig breeder, to accelerate the transformation of the pork industry in China was signed in July

- Muyuan is expanding its business as a vertically integrated company in the pork value chain, covering the whole process from feed mills to processing facilities and consumer-ready products
- This includes investing further in primary processing and expanding secondary processing focusing on retail-ready products fitting local consumer preferences across China
- From 2020 to early 2022 Marel delivered 11 state of the art greenfield projects to Muyuan, replicated across multiple locations in China
- Together, the two pioneers will bring new technologies and solutions to the Chinese market that ensure safe and sustainably processed high-quality pork products that fit local tastes
- A great example of how Marel is moving closer to its customers as a partner rather than supplier only to transform food processing for a more sustainable value chain
- Muyuan has been listed on Shenzhen Stock Exchange since 2014

The Marel demo center in Shanghai was opened in 2021

Qin Muyuan, President of Muyuan Meat and Arni Oddur Thordarson, CEO of Marel

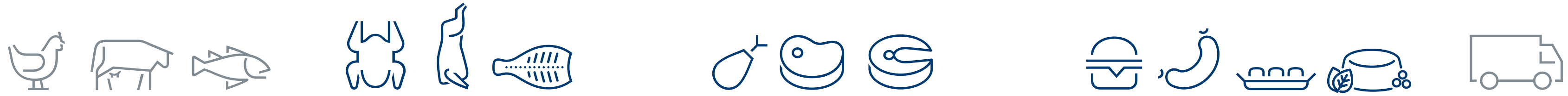
Shifting dynamics in the food value chain

Market conditions in the food value chain for all proteins and countries, have been highly volatile at all points - upstream, at processing level, and downstream at consumer level - bringing new challenges and opportunities

Upstream
High input cost of e.g. corn and feed has induced elevated animal prices, often dependent on weather, trade constraints and e.g. developments of exports from Ukraine

At processing level
High input costs of raw materials, energy, water, coupled with continued labor scarcity and wage inflation is hitting processors especially hard and pressuring margins. The need to automate and digitize in order to optimize carcass valuation and more efficient operations is becoming ever more pressing to guard profitability.

At consumer level
Inflation-induced high prices are pressuring purchasing power, resulting in consumers trading down to cheaper proteins, smaller portions and lower priced cuts.



Farming
Feed production
Breeding
Farming

Primary processing
Live animal handling
Stunning
Scalding/De-hairing
Evisceration
Chilling

Secondary processing
Cutting/Filleting
Deboning
Weighting/Grading
Portioning
Skinning/Derinding
Inspection

Prepared foods
Forming
Pumping
Marinating
Preparing
Coating
Heating/Frying/Smoking

To dispatch
Logistics

Customer
Retail, on- and offline
Social food-service
Commercial food-service

The road to 14-16% EBIT

Transformative investments and firm actions to strengthen Marel to support growth and return to best-in-class profitability, management forecast indicates an EBIT of 12-14% in fourth quarter and a sustainable 14-16% EBIT level in the course of 2024

#1 Gross profit margin improvement

Actions in execution to expand gross profit include:

- Continued price/cost discipline
- Higher mix of standard equipment
- Growing aftermarket revenues by further installed base penetration
- Balancing load based on order book level by reducing flexible layer in supply chain and engineering
- Improved portfolio and product lifecycle management
- Footprint optimization

#2 OPEX improvement

Actions in execution to reduce OPEX include:

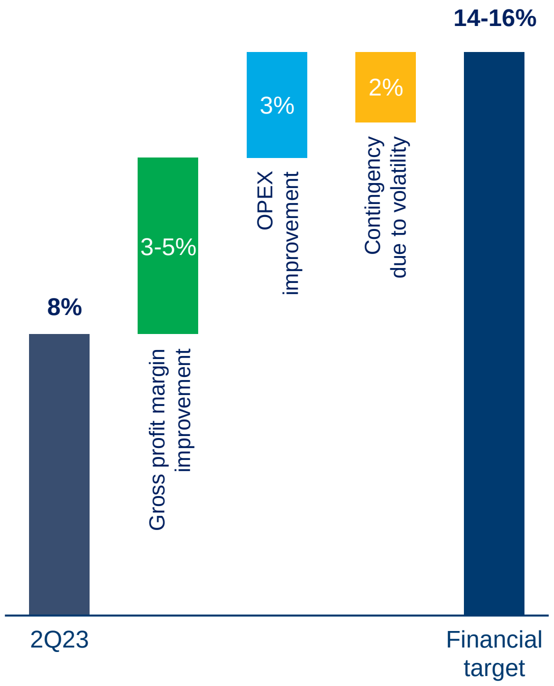
- Clear prioritization and execution of internal improvement projects to ensure focus
- Reaping the benefits of prior investment in digitalization, resulting in reduction of headcount
- Stronger cost management of consultancy, travel, and marketing activities in line with new ways of working accelerated by the pandemic

#3 Further actions

Further actions to be realized include:

- Streamlining the backend in terms of location footprint and warehouses
- Procurement savings as a result of ongoing negotiation campaigns

EBIT[1] bridge to financial target
%



Notes: [1] Operating income adjusted for PPA related costs, including depreciation and amortization, and acquisition related expenses. In Q3 2022, Q4 2022 and Q2 2023, operating income is adjusted for restructuring costs.

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

2017-2026 targets and performance			FY17	FY18	FY19	FY20	FY21	FY22	1H23
Revenue growth[1]	**12%**	Organic	4.9%	12.5%	5.4%	-5.4%	4.4%	16.1%	2.2%
		Acquired	2.2%	2.9%	1.8%	1.8%	5.5%	9.5%	10.9%
		Total	7.1%	15.4%	7.2%	-3.6%	9.9%	25.6%	13.1%
		CAGR 2017-2Q23				**10.1%**			
Innovation investment	**~6% of revenues**		5.6%	6.2%	6.4%	5.6%	5.9%	5.7%	6.0%
Earnings per share (TTM)	**EPS to grow faster than revenues**		13.7	18.0	15.3	13.6	12.9	7.8	5.25
Leverage	**Net debt/EBITDA 2-3x**		1.9x	2.0x	0.4x	1.0x	1.0x	3.6x	3.5x
Dividend policy	**20-40% of net results**		30%	30%	40%	40%	40%	20%	

Financial targets

- Adjusted EBIT **14-16%**
- Gross profit ~**38-40%**
- OPEX **24%**, made up of SG&A ~**18%** and innovation of ~**6%**

Adjusted EBIT of 8.0% in 2Q23 on the back of softer project orders in past quarters, expected to pick up coming quarters with improved market outlook, optimization efforts and easing in supply chain

Management forecast indicates 12-14% EBIT in 4Q23, compared to the targeted 14-16% EBIT

Focus on delivering healthy growth and margin enhancement to reach a sustainable 14-16% EBIT level in the course of 2024

Notes: [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

2017-2026 targets and performance

Revenue growth[1]	**12%**	In the period 2017-2026, Marel is targeting **12% average annual revenue growth** through market penetration and innovation, complemented by strategic partnerships and acquisitions. Maintaining solid operational performance and strong cash flow is expected to support **5-7% revenue growth** on average by acquisition. • 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. • Management believes that market growth will be at a level of **6-8% in the medium term** (2021-2026), due to catch up effect from the past five years and a tailwind in the market. • Recurring revenues to reach 50% of total revenues by YE26, including software and services.
Innovation investment	**~6% of revenues**	To support new product development and ensure continued competitiveness of existing product offering.
Earnings per share (TTM)	**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 results**	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.

Financial targets

- Adjusted EBIT **14-16%**
- Gross profit ~**38-40%**
- OPEX **24%**, made up of SG&A ~**18%** and innovation of ~**6%**

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Q&A

Arni Oddur Thordarson
Chief Executive Officer

Stacey Katz
Chief Financial Officer

Appendix: Non-IFRS adjustments

Q2 2023 was the last quarter of high PPA adjustments relating to inventory uplift from the Wenger acquisition

- Non-IFRS adjustments are made up of:
  I. Purchase Price Allocation (PPA) related charges, non-cash
    - Inventory uplift related PPA charges
    - Depreciation and amortization of acquisition related tangible and intangible assets
  II. Acquisition related expenses include fees paid as part of an acquisition process, whether the process resulted in an acquisition or not
    - Legal, consultancy, and contingent payments (e.g. stock option grant as part of an acquisition with service requirement)
  III. Restructuring costs
    - Severance costs related to headcount reductions
- Since 3Q22 PPA charges have been elevated due to the inventory uplift from the Wenger acquisition which is now fully amortized
- Quarterly PPA related charges expected to be around EUR 7.1m in coming quarters compared to EUR 12.1m in 2Q23
- No other Non-IFRS adjustments are included

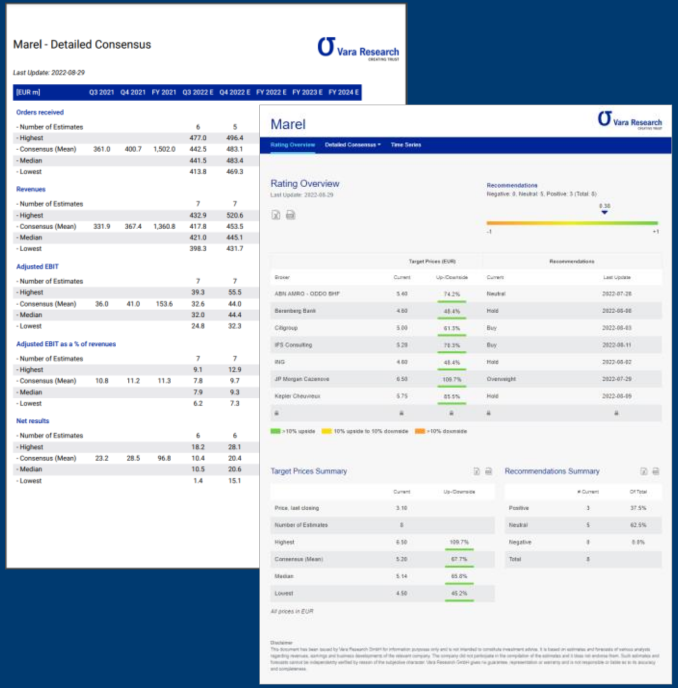
Non-IFRS adjustments breakdown	2Q23	1Q23	4Q22	3Q22	2Q22
PPA related charges	12.1	15.0	17.4	16.0	5.6
Acquisition related expenses	0.7	2.1	2.5	5.6	4.6
Restructuring costs	3.9	-	2.9	5.5	-
Total non-IFRS adjustments	16.7	17.1	22.8	27.1	10.2
Adjusted EBIT reconciliation					
EBIT	17.1	23.1	38.1	19.1	14.8
PPA related charges	12.1	15.0	17.4	16.0	5.6
Inventory uplift related PPA charges	*5.2*	*8.1*	*9.6*	*9.5*	*0.5*
Depreciation and amortization of other acquisition related assets	*6.9*	*6.9*	*7.8*	*6.5*	*5.1*
Acquisition related expenses	0.7	2.1	2.5	5.6	4.6
Restructuring costs	3.9	-	2.9	5.5	-
Adjusted EBIT	33.8	40.2	60.9	46.2	25.0
Adjusted EBITDA reconciliation					
EBITDA	40.1	46.3	62.9	40.7	33.4
Inventory uplift related PPA charges	5.2	8.1	9.6	9.5	0.5
Acquisition related expenses	0.7	2.1	2.5	5.6	4.6
Restructuring cost	3.9	-	2.9	5.5	-
Adjusted EBITDA	49.9	56.5	77.9	61.3	38.5

Did you know?

Analyst consensus estimates for Marel are available to the market on marel.com/ir

Consensus estimates

- In 2021, Marel engaged Vara Research consensus services to survey brokerages analysts for a detailed consensus.
- Vara Research is an independent service provider of external investor relations services, with a focus on consensus management.
- The company is widely known and follows a strict process by which the data is gathered, leading to better transparency and credibility between the company and the market.
- The resulting high-quality consensus will support capital market participants by reflecting the expectations of research analysts covering Marel.
- The consensus estimates are compiled throughout the year and updated around the company's quarterly results.



Marel - Detailed Consensus

Last Update: 2022-08-29

[EUR m]	Q3 2021	Q4 2021	FY 2021	Q3 2022 E	Q4 2022 E	FY 2022 E	FY 2023 E	FY 2024 E
Orders received								
- Number of Estimates				6	5			
- Highest				477.0	496.4			
- Consensus (Mean)	361.0	400.7	1,502.0	442.5	483.1			
- Median				441.5	483.4			
- Lowest				413.8	469.3			
Revenues								
- Number of Estimates				7	7			
- Highest				432.9	520.6			
- Consensus (Mean)	331.9	367.4	1,360.8	417.8	453.5			
- Median				421.0	445.1			
- Lowest				398.3	431.7			
Adjusted EBIT								
- Number of Estimates				7	7			
- Highest				39.3	55.5			
- Consensus (Mean)	36.0	41.0	153.6	32.6	44.0			
- Median				32.0	44.4			
- Lowest				24.8	32.3			
Adjusted EBIT as a % of revenues								
- Number of Estimates				7	7			
- Highest				9.1	12.9			
- Consensus (Mean)	10.8	11.2	11.3	7.8	9.7			
- Median				7.9	9.3			
- Lowest				6.2	7.3			
Net results								
- Number of Estimates				6	6			
- Highest				18.2	28.1			
- Consensus (Mean)	23.2	28.5	96.8	10.4	20.4			
- Median				10.5	20.6			
- Lowest				1.4	15.1			

Marel

Rating Overview | Detailed Consensus | Time Series

Rating Overview

Last Update: 2022-08-29

Recommendations

Negative: 0, Neutral: 5, Positive: 3 (Total: 8)

	Target Prices (EUR)		Recommendations	
Broker	Current	Up-/Downside	Current	Last Update
ABN AMRO - ODDO BHF	5.40	74.2%	Neutral	2022-07-28
Berenberg Bank	4.60	48.4%	Hold	2022-08-08
Citigroup	5.00	61.3%	Buy	2022-08-03
IFS Consulting	5.28	70.3%	Buy	2022-08-11
ING	4.60	48.4%	Hold	2022-08-02
JP Morgan Cazenove	6.50	109.7%	Overweight	2022-07-29
Kepler Cheuvreux	5.75	85.5%	Hold	2022-08-09

>10% upside | 10% upside to 10% downside | >10% downside

Target Prices Summary

	Current	Up-/Downside
Price, last closing	3.10	
Number of Estimates	8	
Highest	6.50	109.7%
Consensus (Mean)	5.20	67.7%
Median	5.14	65.8%
Lowest	4.50	45.2%

All prices in EUR

Recommendations Summary

	# Current	Of Total
Positive	3	37.5%
Neutral	5	62.5%
Negative	0	0.0%
Total	8	

Disclaimer

Vara Research follows a strict process by which the data is gathered, leading to better transparency and credibility between the company and the market

Marel IR on Twitter

Stay tuned for $MAREL news, events, and helpful information. And if you have any questions, we are here to help with that too.

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Investor Relations

Contact us

+354 563 8001

IR@marel.com

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Tinna Molphy

Director of Investor Relations

Marino Jakobsson

Investor Relations

Ellert Gudjonsson

Investor Relations

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.

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

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