3 May 2023

Q1 2023

Press release

Revenues up 20.4%, firm commitment to 14-16% EBIT in 4Q23

marel

Executive summary

- Revenues up 20.4% year-on-year, thereof 13.0% acquired, and adjusted EBIT at 9.0% compared to 8.4% in 1Q22.
- Soft project orders received in 1Q23 due to rising interest rates and customers' input costs, albeit pipeline is strong and conversion to orders received expected to pick up in coming quarters.
- Volatility in current market conditions expected to result in more variability in operational performance in 2023.
- Full focus and commitment to drive the performance improvements to reach 14-16% YE23 EBIT run-rate centered on actions around productivity, procurement, and pricing.
- Long-term growth outlook for the industry unchanged, labor scarcity and inflation expected to fast-track market demand for automation, robotics and digital solutions that support sustainable food processing.

Key figures (EUR m)

As per financial statements	1Q23	1Q22	Δ YoY
Revenues	447.4	371.6	20.4%
Gross profit	161.2	134.0	20.3%
% of revenues	*36.0%*	*36.1%*	
SG&A expenses	94.9	79.9	18.8%
% of revenues	*21.2%*	*21.5%*	
R&D expenses	26.1	22.8	14.5%
% of revenues	*5.8%*	*6.1%*	
EBITDA[1]	56.5	43.9	28.7%
% of revenues	*12.6%*	*11.8%*	
EBIT[1]	40.2	31.3	28.4%
% of revenues	*9.0%*	*8.4%*	
Non-IFRS adjustments	(17.1)	(6.3)	171.4%
Result from operations (EBIT)	23.1	25.0	(7.6%)
% of revenues	*5.2%*	*6.7%*	
Net result	9.1	21.7	(58.1%)
% of revenues	*2.0%*	*5.8%*	
Orders Received	362.6	421.7	(14.0%)
Order Book	590.4	619.1	(4.6%)

Cash flows	1Q23	1Q22
Cash from operating activities, bf. int. & tax	34.3	32.7
Net cash from (to) operations	16.8	28.2
Investing activities	(31.8)	(13.1)
Financing activities	5.2	(32.6)
Net cash flow	(9.8)	(17.5)

Financial position	31/03 2023	31/12 2022
Net Debt (Including Lease liabilities)	831.6	816.7
Operational working capital[2]	258.9	234.3

Key ratios	1Q23	1Q22
Current ratio	1.1	1.1
Quick ratio	0.6	0.6
Return on equity[3]	3.5%	8.5%
Leverage[4]	3.5	1.2
Number of outstanding shares (millions)	753.1	756.1
Market cap in EUR billion	2.9	4.1
Basic earnings per share in EUR cents	1.21	2.87

Notes: [1] Operating income and EBITDA adjusted for PPA related costs, including depreciation and amortization, and acquisition related expenses. [2] Trade receivables, inventories, net contract assets & contract liabilities, trade payables. [3] Annualized net result / average of total equity. [4] Net debt (including lease liabilities) / Pro forma LTM EBITDA.

Key highlights

Q1 2023 – Financial highlights

- **Orders received** were EUR 362.6m (4Q22: 413.4m, 1Q22: 421.7m).
- **Order book** was EUR 590.4m (4Q22: 675.2m, 1Q22: 619.1m).
- **Revenues** were EUR 447.4m (4Q22: 489.2m, 1Q22: 371.6m).
- **Book-to-bill** is 0.81 and the order book represents 33.1% of 12-month trailing revenues.
- **EBIT**[1] was EUR 40.2m (4Q22: 60.9m, 1Q22: 31.3m), translating to an **EBIT**[1] **margin** of 9.0% (4Q22: 12.4%, 1Q22: 8.4%).
- **Net result** was EUR 9.1m (4Q22: 18.5m, 1Q22: 21.7m).
- **Cash flow from operating activities before interest and tax** was EUR 34.3m (4Q22: 44.3m, 1Q22: 32.7m).
- **Free cash flow** amounted to EUR -0.3m (4Q22: 10.0m, 1Q22: 14.6m).
- **Net debt/EBITDA**[2] was 3.5x (4Q22: 3.6x, 1Q22: 1.2x) following acquisition of Wenger in 2Q22, focus on deleveraging to return to targeted capital structure of 2-3x net debt to EBITDA.

Recent acquisitions and partnerships

Acquisition of E+V Technology

- On 4 April, Marel announced an asset purchase agreement to acquire 100% of operating assets related to E+V Technology, a global provider of advanced vision systems for the meat and poultry industries. The company's products are used for the grading and classification of beef, pork, lamb, and poultry and are highly complementary to Marel's current offering. E+V Technology, headquarter in Oranienburg, Germany, was founded in 1992, has 19 employees and around EUR 5m annual revenues.

Partnership with ADM

- On 7 March, Marel announced a partnership with ADM, a global leader in human and animal nutrition, to accelerate plant-based protein innovation and collaborate on a state-of-the-art taste and texture innovation center, scheduled to open in the second half of 2024. The partnership will invite food processors to work alongside food experts to prototype, manufacture and market new products.

Arni Oddur Thordarson, CEO of Marel

"We report EUR 447 million in revenues in the first quarter, which is 20% growth year-on-year although sequentially down from the catch-up quarter in 4Q22. The share of recurring aftermarket revenues continues on a strong note and is 43% of total revenues in the quarter, underpinning our strong market position as a trusted maintenance partner.

I'm also pleased to note that newly acquired verticals in the attractive pet food and plant-based protein market now account for 12% of our business and have positively improved the diversification of revenues across geographies and customer base with opportunities of cross- and upselling complementary product portfolios.

Orders for larger projects were soft in the quarter due to economic uncertainty, high interest rates and rising input costs, resulting in orders received of EUR 363 million. Pipeline remains strong and we expect headwinds impacting market demand to moderate in coming quarters. As timing of conversion into firm and financially secured orders can fluctuate between quarters, more variability in operational performance can be expected in 2023. Underlying demand for automation, robotics technology and digital solutions remains positive as our customers navigate continued labor scarcity, inflation and rising input costs.

Operational performance was 9% EBIT in the first quarter of the year. Despite lower revenues compared to the record fourth quarter of last year, the gross profit remains at the 36%. We are targeting gross profit of 38-40% at year-end 2023, driven by better product mix, pricing actions on projects filtering through in the second half of the year, footprint optimization, in addition to improved productivity and efficiency gains where we are harvesting on recent investments in automation and digitalization. General easing towards normalization in supply chain and logistics will also lower costs as well as enhance speed and productivity.

We have continued to introduce new pioneering solutions at key trade shows around the world in the quarter and have maintained our innovation investment at the strategic level of 6% of revenues. At the same time the Sales, General and Administration (SG&A) expenses were at 21% in 1Q23, compared to a clear target of 18% at year-end.

While maintaining customer-facing activities, actions are in place to streamline back-office sales, service and administrative costs. Both gross profit and SG&A expenses are colored by non-recurring items that are not adjusted for and will decline from the current peak levels.

Underlying operating cash flow is improving, though impacted by a lower book-to-bill of 0.81 and elevated investments. Leverage was at 3.5x and our objective is to be within the targeted range of 2-3x beginning of 2024, where the main drivers will be improvements in operational performance and working capital.

We are committed to our year-end 2023 financial targets and 2026 growth strategy, and will continue investments in digital solutions and infrastructure initiatives that support our target to reach 50% of recurring revenues from service and software by year-end 2026. Our Focus First operating model has progressed well and was fully implemented in April. I am confident that it will equip Marel as a growth company with the increased customer focus, speed and scale needed to win in today's ever-changing market."

Notes: [1] Operating income adjusted for PPA related costs, including depreciation and amortization and acquisition related expenses. In Q3 and Q4 2022, operating income is adjusted for restructuring costs due to the 5% headcount reduction. [2] Net debt (including lease liabilities) / Pro forma LTM EBITDA.

Financial performance

Soft orders received of EUR 363m in the quarter, pipeline remains strong

- Orders received in 1Q23 of EUR 362.6m, down 12.3% QoQ and down 14.0% YoY (4Q22: 413.4m, 1Q22: 421.7m). Pipeline remains strong although challenging market conditions and rising interest rates leading to uncertainty in timing of conversion of pipeline into orders.
- Prolonged inflation, rising interest rates and global recession have historically shifted consumer demand as well as investments in the food industry from large projects towards standardized solutions, aftermarket and less capital-intensive projects.
- Headwinds impacting market demand expected to moderate in coming quarters. Labor scarcity, inflation and rising input costs faced by customers, coupled with favorable secular trends, focused on automation, robotics technology and digital solutions that support sustainable food processing, will continue to support organic growth outlook in the long term.

Order book of EUR 590m and book-to-bill ratio of 0.81 in the quarter

- Order book, consisting of orders that have been signed and financially secured with down payments, softened in the quarter and was EUR 590.4m, down 4.6% YoY and down 12.6% QoQ (4Q22: 675.2m, 1Q22: 619.1m), representing 33.1% of 12-month trailing revenues.
- The book-to-bill ratio in the quarter was 0.81, compared to 0.85 in 4Q22 and 1.01 for the full year 2022.
- Vast majority of the order book is comprised of greenfields and projects, while spare parts and standard equipment run faster through the system. Marel has actively raised prices which are filtering through (aftermarket takes ~6-8 weeks, standard equipment ~3-6 months, and larger projects ~9-12 months).

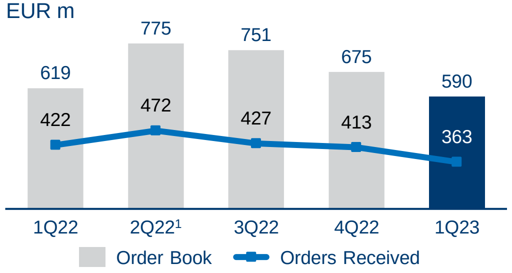
Continued growth in recurring aftermarket revenues, 43% of total in 1Q23

- Revenues of EUR 447.4m in the quarter, down 8.5% QoQ after the catch-up quarter of 4Q22. Revenue growth was up 20.4% (4Q22: 489.2m, 1Q22: 371.6m), thereof 7.4% organic and 13.0% acquired growth.
- Aftermarket revenues, comprised of recurring services and spare parts, have increased for twelve consecutive quarters to reach EUR 191.2m in 1Q23 and reflects Marel's strong market position and reputation as a trusted maintenance partner.
- Aftermarket was 43% of total revenues in the quarter (4Q22: 39%, 1Q22: 40%), further underpinning Marel's commitment to investments in automating and digitizing the spare parts delivery model and shortening lead times.

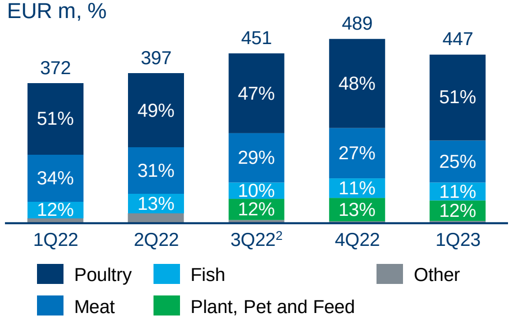
Operational performance impacted by product mix, inflation, and lower revenues and cost coverage

- Gross profit margin at 36.0% in the quarter (4Q22: 35.9%, 1Q22: 36.1%). Gross profit was EUR 161.2m in the quarter (4Q22: 175.8m, 1Q22: 134.0m), and was lower QoQ due to product mix and lower project revenues offset by higher aftermarket revenues.
- Management is targeting gross profit margin expansion to 38-40% by YE23 and is focused on rightsizing the business for better cost coverage. Actions are in process to optimize the footprint with the objective to balance the load and capacity in line with demand, supported by general easing in supply chain and logistics.
- Continued focus on pricing discipline with quarterly cycles, pricing actions will continue to filter through in 2023 for better price/cost coverage.
- SG&A of 21.2% (4Q22: 18.4%, 1Q22: 21.5%). SG&A of EUR 94.9m in 1Q23 (4Q22: 89.9m, 1Q22: 79.9m). Clear target to reach 18% in SG&A by YE23. Management is implementing cost savings, with focus on backend optimization and utilizing the Shared Services platform.
- Sales and marketing (S&M) expenses were at a level of 13.4% of revenues in 1Q23 (4Q22: 11.1%, 1Q22: 13.8%), due to seasonally high trade show activity and travel costs to meet with customers.
- General and administrative (G&A) expenses were 7.8% of revenues in the quarter (4Q22: 7.3%, 1Q22: 7.7%). Limited change in absolute level QoQ.
- Innovation costs at 5.8% in 1Q23 (4Q22: 5.1%, 1Q22: 6.1%), in line with strategic promise of investing 6.0% of revenues in innovation annually.
- EBIT[3] in the quarter was EUR 40.2m (4Q22: 60.9m, 1Q22: 31.3m), translating to an EBIT margin of 9.0% (4Q22: 12.4%, 1Q22: 8.4%). EBIT drop QoQ driven by product mix, lower project revenues, and higher sales and marketing expenses.
- At year-end 2022, management stated that operational results would vary from quarter to quarter due to general economic developments, fluctuations in orders received and timing of deliveries of larger systems. Financial results in 2Q23 expected to be colored by the softer orders received in 1Q23. Pipeline is strong and conversion to orders expected to pick up in the coming quarters as headwinds moderate. With several optimization actions in place and general easing in supply chain and logistics in sight, management expects stronger results in the second half of year towards the YE23 financial targets.
- Marel adjusts EBIT[3] for PPA and acquisition related costs.

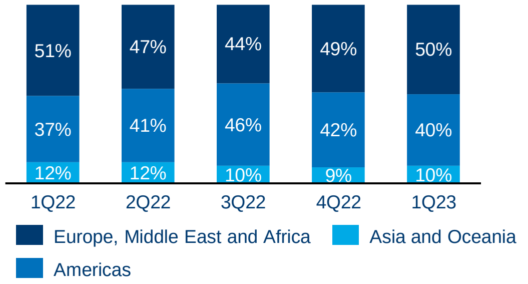
Order book and orders received
EUR m



Revenues by segment
EUR m, %



Revenues by geography
%



Notes: [1] Including acquired order book of EUR 81m from Wenger and Sleegers. [2] Revenues from Wenger allocated to the Other segment as of closing 9 June 2022 until end of Q2 2022. As of Q3 2022, Wenger was part of segment reporting alongside the poultry, meat and fish business segments, under the name 'Plant, Pet and Feed'. [3] Operating income adjusted for PPA related costs, including depreciation and amortization and acquisition related expenses. In Q3 and Q4 2022, operating income is adjusted for restructuring costs due to the 5% headcount reduction.

Financial performance

Cash flow below historical levels, impacted by book-to-bill ratio, higher financing costs, and elevated investments in infrastructure

- Operating cash flow was EUR 34.3m in the quarter (4Q22: 44.3m, 1Q22: 32.7m).
- Operating cash flow in 1Q23 affected by lower book-to-bill of 0.81 with softer orders received in 1Q23 impacting working capital.
- Cash CAPEX excluding R&D investments in 1Q23 were EUR 19.6m (4Q22: 19.2m, 1Q22: 7.7m) or 4.4% of revenues.
- Free cash flow was EUR -0.3 m in the quarter (4Q22: 10.0m, 1Q22: 14.6m), impacted by lower book-to-bill and elevated investments.
- Marel's cash flow model remains unchanged. Aim to increase towards historical cash conversion levels by year-end 2023.

Leverage temporarily above target of 2-3x

- Net leverage down to 3.5x at the end of 1Q23 from 3.6x in 4Q22 (1Q22: 1.2x), temporarily above targeted range following the acquisition of Wenger in 2Q22. Objective to be within targeted range of 2-3x beginning of 2024.
- 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.

Continued investments to support the 2026 growth targets to reach 50% in aftermarket revenues

- For the period 2017-2026 Marel has set a target of 12% average annual increase in revenues, through both organic growth and acquisitions.
- There is a continued focus on automating and digitizing 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.
- Key investments include the new and digitalized global distribution center in Eindhoven, Netherlands, an additional production facility adjacent to current operations in Nitra, Slovakia, and the ongoing journey to digitize, automate and improve flow and flexibility in our main poultry facility in Boxmeer, a new warehouse for manufactured parts that became operational in April.
- Cash capital expenditures excluding R&D investments will be on average 4-5% of revenues in 2021-2026, thereafter, returning to more normalized levels of below 3% of revenues.

Full commitment to the year-end 2023 financial targets and 2026 growth strategy to reach 50% of revenues from services and software

- Management is committed to the year-end 2023 financial targets to reach a run-rate of 14-16% EBIT, gross profit of 38-40% of revenues, SG&A of 18%, and maintain the innovation promise at the 6% strategic level.

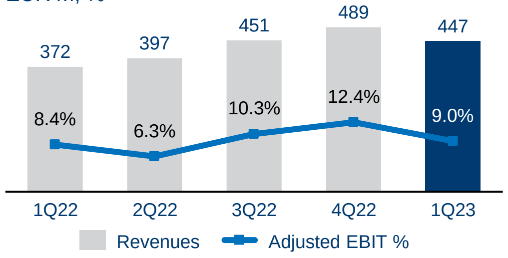
Marel Action Plan 'MAP23' towards year-end 2023 financial targets

- Marel targets a run-rate of 14-16% EBIT at year-end 2023, allowing for 2% contingency buffer due to volatility in market conditions. Actions already enacted include pricing actions filtering through and the 5% global workforce reduction (EUR 25m in annualized cost savings).
- To support the financial targets for year-end 2023, management have introduced the Marel Action Plan 2023, or MAP23. Marel's success is founded on its talent, where being a great place to work and guided by clear vision of a sustainable future for food processing is instrumental. Continued investment in our infrastructure, including automation and digitalization of manufacturing platform, supply chain and aftermarket, together with our robust cash flow model are key enablers to intensify our go-to-market strategy and customer centricity. Priority projects, such as the Focus First operating model, end-to-end spare parts journey and the digital solutions journey, will transform Marel and drive sustainable growth and value creation towards the 2026 growth targets.
- Further margin expansion initiatives are centered around price/cost discipline, improving SLA attachment rates and further aftermarket penetration on current installed base, in addition to optimizing our footprint.

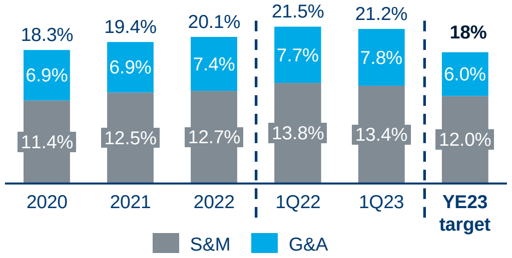
'Focus First' to improve customer centricity, speed and scale across the organization

- On 1 April, the new Focus First operating model was formally launched. With the objective to position Marel for future growth and ensure long-term profitability, Focus First will foster more customer centricity, enhance end-to-end accountability and enable cross-business collaboration.
- An Executive Board was introduced in November, and over the past 6 months Marel has introduced new appointments to key leadership positions. Recent appointments include Janne Sigurdsson as EVP Supply Chain, Skuli Sigurdsson as EVP Retail and Food Service Solutions, Sofie Cammers as EVP Meat, Tatiana Gillitzer as EVP Service, and Vidar Erlingsson as EVP Software Solutions.

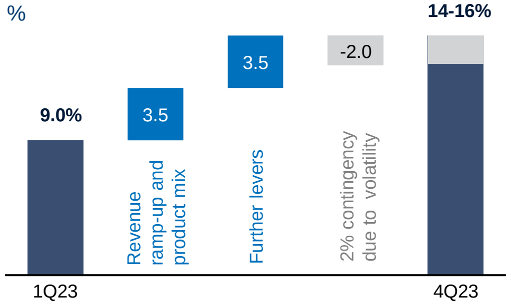
Revenues and adjusted EBIT[1]
EUR m, %



Sales, general and administrative costs
%



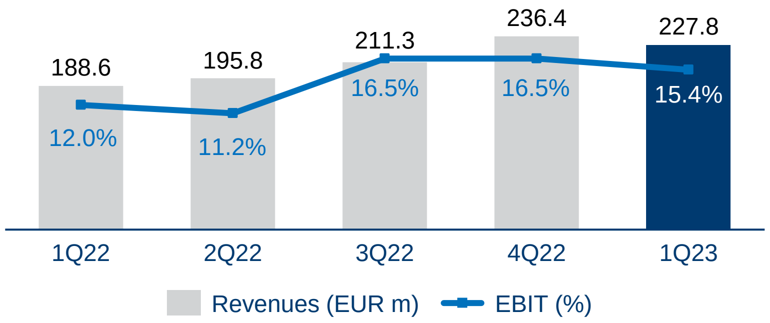
EBIT bridge to year-end 2023 target
%



Notes: [1] Operating income adjusted for PPA related costs, including depreciation and amortization and acquisition related expenses. In Q3 and Q4 2022, operating income is adjusted for restructuring costs due to the 5% headcount reduction.

Business segment performance

Marel Poultry



Solid operational results, temporary softness in orders received for larger projects due to market conditions, pipeline remains strong and outlook is promising.

Orders received of projects for Marel Poultry at a low level in the quarter, colored by economic and geopolitical uncertainty, unfavorable development in input costs and prices for poultry processors as well as the spread of Avian influenza impacting the timing of customer investment decisions. Large projects coming in from the Middle East and Asia and Oceania, while North America and Latin America were softer.

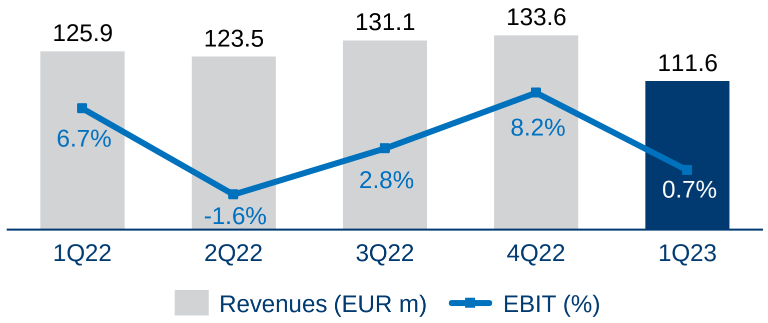
Outlook is promising. Marel Poultry's competitive position and pipeline remains strong, although timing of converting pipeline into orders is more uncertain in the current market environment, 2H23 expected to be stronger than 1H23.

Revenues in 1Q23 for Marel Poultry were EUR 227.8m, down 3.6% QoQ following a record quarter in 4Q22 and up 20.8% YoY (4Q22: 236.4m, 1Q22: 188.6m). Continued momentum in aftermarket with growth in spare parts and rising number of SLAs.

***EBIT*[1] margin** in the quarter was 15.4% (4Q22: 16.5%, 1Q22: 12.0%) impacted by product mix.

Management targets short-term EBIT margin expansion for Marel Poultry. However, operational results may vary from quarter to quarter due to general economic developments, fluctuations in orders received and timing of deliveries of larger systems.

Marel Meat



Challenging market conditions as expected, ongoing strategic and operational review, soft outlook for 1H23 with margin recovery expected in 2H23.

Orders received for Marel Meat in the quarter were at a low level as challenging market conditions continued to have a significant impact on the meat industry. Additionally, high inflation and focus on sustainability is shifting consumer preferences to more affordable proteins such as poultry, smaller portions and lower-priced cuts. Recent product launches in secondary processing such as the SensorX Accuro and Magna that are highly relevant in the current inflationary environment.

Outlook is soft for the first half of the year given the current market conditions and soft pipeline. Beef market has been more resilient than pork in the current environment. North America continues to show positive signs while demand is weaker in other regions. Overcapacity in the market creating headwinds for investment, especially in Europe and further consolidation within the industry expected.

Revenues in 1Q23 for Marel Meat at EUR 111.6m, down 16.5% QoQ and down 11.4% YoY (4Q22: 133.6m, 1Q22: 125.9m), due to softer orders received and lower volumes in both equipment and aftermarket, after the catch up quarter of 4Q22.

***EBIT*[1] margin** in 1Q23 of 0.7% (4Q22: 8.2%, 1Q22: 6.7%) impacted by lower volume as a result of softer order book.

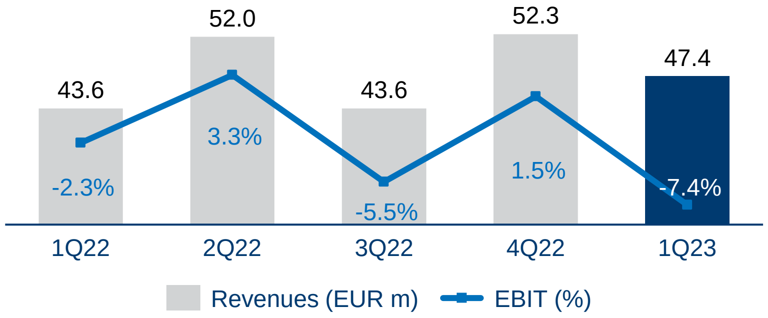
Management continues to target EBIT margin expansion for Marel Meat. High focus on achieving improved operational performance by, i.e. optimizing the manufacturing footprint, investing in several infrastructure initiatives to support aftermarket sales and modernization opportunities within primary meat.

Sofie Cammers joined as EVP of Marel Meat in April, and Roger Claessens has returned his full time focus to Marel Poultry, having temporarily stepped in as interim EVP of Marel Meat.

Notes: [1] Operating income adjusted for PPA related costs, including depreciation and amortization and acquisition related expenses. In Q3 and Q4 2022, operating income is adjusted for restructuring costs due to the 5% headcount reduction.

Business segment performance

Marel Fish



Good orders received in the quarter, profitability negatively impacted by mix and acquisitions, EBIT improvement expected to materialize in 2H23.

Orders received for Marel Fish at a strong level in 1Q23, increased demand in whitefish processing solutions, while salmon-related solutions still affected by tax discussions in Norway with indications of a recovery in investments in the second half of the year.

Outlook for orders received good. North Europe and Latin America expected to show improved demand as salmon customers resume investment later this year, while softer outlook to be expected in the short term for North America and South Europe as consumer demand is shifting to cheaper proteins.

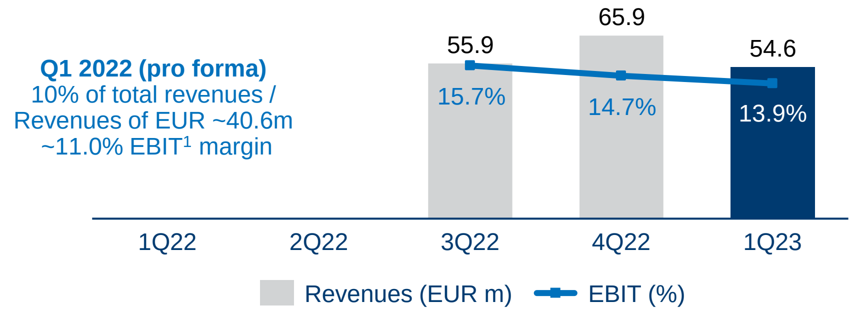
Marel was prominent at the Seafood Processing Global exhibition in Barcelona, one of the key trade shows for fish processing, demonstrating our latest innovative technology to processors from across the world.

Revenues in 1Q23 for Marel Fish were EUR 47.4m, down 9.4% QoQ up 8.7% YoY (4Q22: 52.3m, 1Q22: 43.6m) driven by larger projects and aftermarket sales.

EBIT[1] margin in 1Q23 was -7.4% (4Q22: 1.5%, 1Q22: -2.3%) and below expectations. Results impacted by low margin projects from acquisitions being finalized, integration initiatives and unfavorable product mix heavier on projects than standard equipment.

Management continues to target EBIT margin expansion for Marel Fish. Improvements in EBIT expected to materialize in 2H23. Actions in motion centered around lowering operational costs, such as footprint and back-end optimization, and then delivering higher volumes with better product mix.

Marel Plant, Pet and Feed



EBIT margin in line with historical performance, softer start to the year for orders received, pipeline is promising.

Orders received for Marel Plant, Pet and Feed was on the softer side in 1Q23 following a strong 4Q22. Outlook and pipeline is solid in pet food despite headwinds due to economic uncertainties and consolidations. Temporary softness in plant-based solutions, although positive developments expected in coming quarters in light of growing collaboration with our customers and the recently announced partnership venture with ADM. Albeit a small part of the business, Feed pipeline is balanced with opportunities in Scotland, Iceland and Chile, while impacted by tax implementations in Norway.

Revenues in 1Q23 were up YoY at EUR 54.6m, (pro forma 1Q22: ~40.6m, 4Q22: 65.9m) in line with expectations. Revenues include EUR 7.3m that were historically reported under the other segment. Sequentially lower revenues in 1Q23 (down 17.1% QoQ) in part by continued parts availability issues, though continued strong momentum in aftermarket revenues. When comparing to pro forma YoY, revenues have increased.

EBIT[1] margin in 1Q23 of 13.9% (pro forma 1Q22: ~11.0%, 4Q22: 14.7%), in line with expectations and following a similar pattern as 2022 with a comparatively stronger second half of the year.

Wenger has a strong foothold in the North and Latin American market which is providing Marel with better diversification of revenues across geographies. 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.

Notes: [1] Operating income adjusted for PPA related costs, including depreciation and amortization and acquisition related expenses. In Q3 and Q4 2022, operating income is adjusted for restructuring costs due to the 5% headcount reduction.

Key figures and outlook

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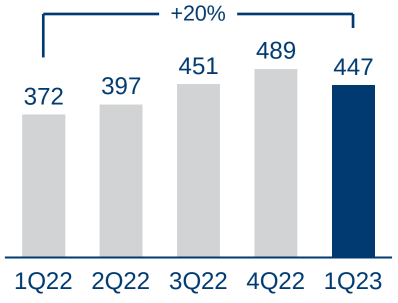
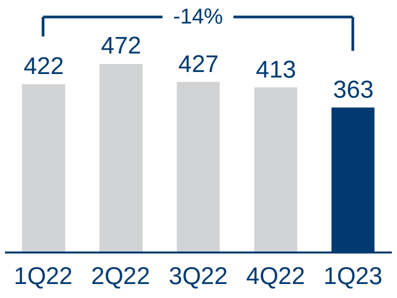
Outlook

- 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.
- Marel targets a run-rate of 14-16% EBIT, allowing for 2% contingency buffer due to volatility in market conditions. Other 2023 financial targets are gross profit of ~38-40%, SG&A of ~18% and innovation at the 6% strategic level.
- Market conditions remain challenging resulting in elevated uncertainty. Headwinds expected to moderate in coming quarters, supported by optimization actions and general easing in supply chain and logistics, resulting in a stronger second half of the year towards the YE23 financial targets. Labor scarcity, inflation and rising input costs, coupled with favorable secular trends, focused on automation, robotics technology and digital solutions that support sustainable food processing, will continue to support organic growth outlook in the long term.
- 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%** 2021-2026, due to catch up effect and a tailwind in the market.
    - Recurring aftermarket revenues to reach **50% of total revenues** by YE26, including software and services.
- Marel's management expects basic EPS to grow faster than revenues.
- Cash capital expenditures excluding R&D investments are expected to increase to an average of 4-5% of revenues in 2021-2026, thereafter, returning to more normalized levels.

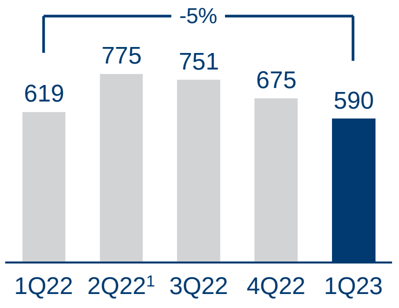
Revenues
EUR m



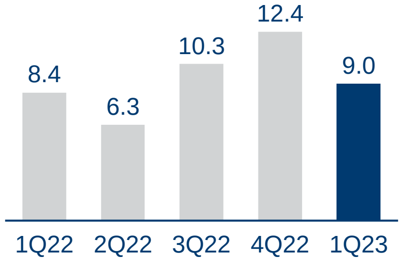
Orders received
EUR m



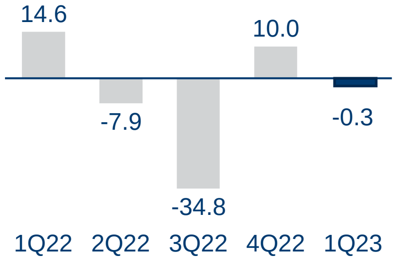
Order book
EUR m



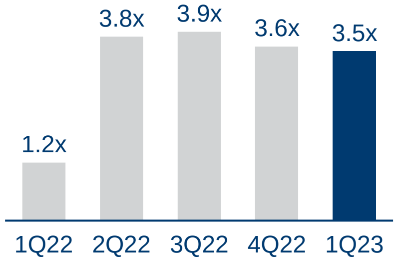
EBIT[2] margin
%



Free cash flow[3]
EUR m



Leverage[4]
Net debt/EBITDA



Notes: [1] Including acquired order book of EUR 81m from Wenger and Sleegers in 2Q22. [2] Operating income adjusted for PPA related costs, including depreciation and amortization and acquisition related expenses. In Q3 and Q4 2022, operating income is adjusted for restructuring costs due to the 5% headcount reduction. [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 EBITDA.

Investor relations

Investor meeting and conference call

On Thursday 4 May 2023, at 8:30 am GMT (10:30 am CET), Marel will host an investor meeting where senior management will give an overview of the financial results and operational highlights in the first quarter.

The investor meeting will be held at the company's headquarters in Austurhraun 9, Gardabaer, Iceland. Breakfast will be served from 8:00 am GMT.

The meeting will be streamed live via Zoom and a recording will be made available after the meeting on marel.com/ir.

Please register for the webcast here.

Upcoming investor conferences and events in 2023

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 2023:

- Berenberg Conference USA, New York, 23 May
- ABN AMRO-ODDO Benelux European Conference, Amsterdam, 24 May
- JP Morgan European Capital Goods CEO Conference, Pennyhill Park, 9 June

Upcoming trade shows and events in 2023

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 2023:

- Interpack in Dusseldorf, Germany, 4-10 May
- Propak Asia in Bangkok, Thailand, 14-17 June
- VIV Turkey in Istanbul, Turkey, 6-8 July
- Foodpro in Melbourne, Australia, 23-26 July

Financial calendar

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

- Q2 2023 – 26 July 2023
- Q3 2023 – 23 October 2023
- Q4 2023 – 7 February 2024

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.

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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