



HAARSLEV™

PRESS RELEASE Q4 2019



**POULTRY
RENDERING**



**MEAT
RENDERING**



**FISH
PROCESSING**



**INDUSTRIAL
PROCESSING**



A STRONG QUARTER WITH HISTORIC THROUGHPUT IN OUR SUPPLY CHAIN

“The fourth quarter was another busy quarter for Haarslev. Orders received were EUR 58 mln⁽¹⁾, proving that we are the preferred vendor in the market.

We are very grateful for the level of trust our customers have in us, and we are aware that we must continue improve our delivery performance to maintain this trust.

To improve on delivery performance we have made significant investments throughout the year, including a new ERP system and multiple lean manufacturing and process improvements.

We are pleased to see that our investments and priorities are starting to materialize as our global supply chain delivered a historic high throughput in Q4-19, leading to 8% revenue growth vs. Q3-19 and 22% growth vs. Q4-18 ⁽¹⁾

At the current capacity we will be able to maintain our backlog at the desired level and support the expected growth in 2020. In the coming months we will continue to optimize our planning to provide customers with faster and more accurate delivery times.

To support our global sales activities and customer focus, we have extended the C-suite and promoted Henning Haugaard to CCO. With over 30 years of industry experience, including several years as an expat, Henning is unquestionably one of the most experienced sales professionals in the industry.

Henning brings a wealth over experience from working with customers across the globe. His deep understanding of our industry and customer needs makes him ideally positioned to take on this new role, ensuring that we maintain a customer centric approach in everything we do.”

HAN DEFAUWES, CEO

Q4 2019 HIGHLIGHTS – PRELIMINARY AND UNAUDITED NUMBERS

- Revenue of EUR 57.3 mln and EBITDA¹ of EUR 5.6 mln (10% margin)
- Strong order book level of EUR 111 mln
- Order intake of EUR 58 mln in 4Q-19 and full year order intake of EUR 209 mln
- Significant decrease in leverage during the quarter; net senior debt/EBITDA at 4.3x
- Increased capacity in engineering & factories and improved efficiency

ORDERS RECEIVED AT GOOD LEVELS

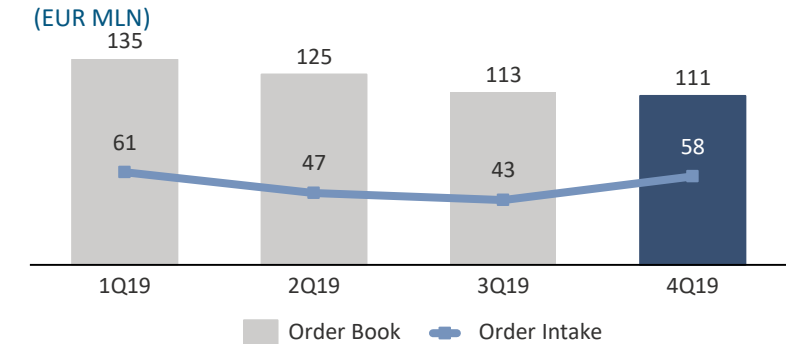
- Strong order intake throughout the year, ending the year above budget and expectations for 2019
- Markets continue to be strong. Some shifts in demand between markets, within industries and geographies. We see more orders coming from Asia Pacific and Latin America
- African Swine Fever still has an impact on the pork industry, but also accelerates investments in DATC² facilities and other protein sources like poultry
- The order book ended at EUR 111 mln, down from EUR 135 mln by the end of Q1, reflecting the improved output in our supply chain

DELIVERING STRONG GROWTH

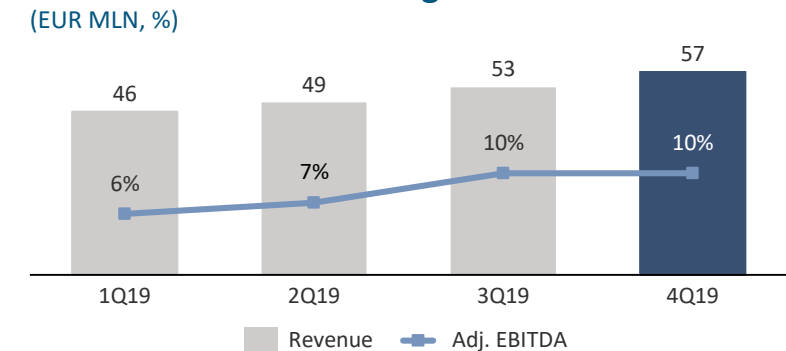
- In Q4-19 we saw revenue grow by ~8% (EUR 4.4 mln) vs Q3-19 while EBITDA¹ grew by ~6% in the same period
- With the largest installed base in our industry, a material share of revenue is from recurring service and spare parts. In FY2019, Services & Spares accounted for 28% of order intake and 28% of revenue.
- Our installed base is growing following high greenfield sales in the past years. Inventories of fast moving and critical spare parts are being replenished in order to shorten lead times and better serve our customers

1: Normalized EBITDA excludes special non-recurring items and non-core activities being discontinued / divested; 2: Dead Animal Treatment Center

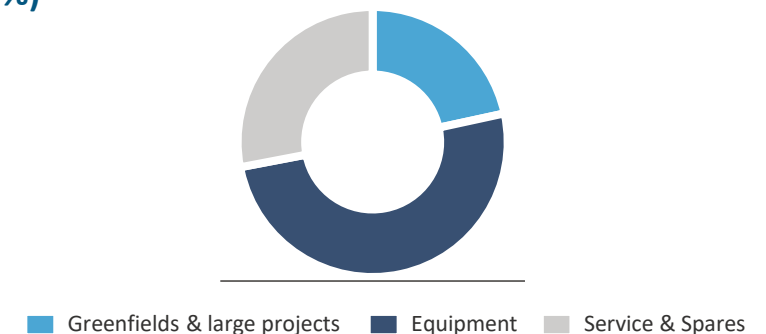
ORDER BOOK AND ORDER INTAKE



Revenue and EBITDA margin¹



Revenue by business mix (%)



HAARSLEV PROFILE

- Market share of more than twice the runner up in comparable product lines
- Only global provider with customers in >120 countries
- Global installed base with over EUR 1.1 bn in value
- ~1,050 FTEs of which >115 are certified engineers
- Track record of innovation in the industry
- Unmatched service capabilities, with >120 service engineers & technicians and 8 spare part hubs
- In-house Health, Safety and Environment (HSE) organization and strong focus on compliance
- Vision to support and improve efficient use of the world's scarce resources



OUTLOOK

- Market conditions have been favorable in the last years and are now more challenging in light of geopolitical uncertainties
- Haarslev is targeting 5-7% annual growth but our main focus is on 'leading performance', which means in the short-term improving delivery performance, reducing delivery times and launching new products
- Leading performance also means a solid operational performance and strong cash flow
- We are further integrating CORE, a software solution to reduce downtime, increase throughput, improve quality and lower energy consumption

SELECTED PROJECTS

- In the beginning of the Quarter, we successfully commissioned three large dryers in the Pelagia plant in Bodø, Norway. In just 36 days, a combined crew of Danish and Norwegian engineers installed over 500 tons of equipment and commissioned the dryers. A video of the installation can be seen here: [Video](#)
- Later in the quarter, we secured yet another large greenfield order – this one in Australia. Haarslev will design, manufacture, deliver, install and commission a state-of-the-art Protein Recovery plant for Midfield Meat International in Warrnambool, VIC. The plant will on separate lines convert by-products from Bovine and Ovine slaughtering into valuable feed and pet food ingredients.

"Midfield is an inspiring family owned company with strong values and we are grateful for having been chosen as process and equipment provider for this exciting project" says Haarslev's CCO Henning Hugaard

UPCOMING TRADESHOWS

Agro Animal Show
Kiev, Ukraine
February 18-20, 2020

VIV MEA
Abu Dhabi, UAE
March 9-11, 2020

NARA Spring Meeting
Chicago, Illinois, USA
March 21-23, 2020

Seafood Processing Global
Brussels, Belgium
April 21-23, 2020

IFAT
Munich, Germany
May 5-8, 2020